The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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Kuomintang and Communists to "Re-Marry" After Decade's Separation

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Why I Gave Up My Foreign Name . . . . By Peng-yun Wang

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Formerly Millard's Review

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CARDINAL DOUGHERTY'S VISIT TO MEIJI SHRINE IN TOKYO

ASIDE from the news report from Tokyo, little attention was given by the press in the Far East to the visit of Denis Cardinal Dougherty, Papal Legate to the Eucharistic Congress in Manila, to the Meiji Shrine in Tokyo. Although the official *Domei* service cabled several hundred words on the subject to newspapers in China the English language newspapers in Japan made only the slightest reference to the Cardinal's action. According to *Domei* the Cardinal's visit to the Meiji shrine was significant because it implied sanction for Catholics to visit such Japanese holy places in future, a matter of considerable importance to the Catholic schools. Previously the directors of Catholic schools (also some Protestant schools) forbade their pupils to visit at Shinto shrines on the ground such constituted worship of pagan Gods. Within recent months there were serious complications between the Japanese authorities in Korea and the heads of certain American mission schools because the American teachers would not permit their students to kotow before the Meiji shrines. The issue had long agitated Catholic circles in Japan because the Japanese military and educational authorities require all students to visit Meiji shrints on certain holidays to pay their respects to the Gods. The principals of the Catholic schools in Japan, practically all of whom are now Japanese, argued that they could not compel their students to worship pagan Gods despite the contention of the Japanese military authorities that such worship constituted an expression of respect for Japanese patriots.

The Catholic Church in Japan which has 270,000 adherents in Japan proper and Korea had always taken the line that Shintoism was not to be regarded as a genuine religion as it was created by the ruling class about three decades ago for the purpose of encouraging worship of the Emperor as a Divine Being and also worship of Nippon as a creation of the Gods.

The *Domei* message asserted that Cardinal Dougherty's visit "had quietly settled the matter."

However, the real significance of the incident was not mentioned in the news report—the obvious attempt which has been made to commit the Catholic Church as represented at the Manila Eucharistic Congress—to the Japanese Fascist program. The Rev. John Mitty, Archbishop of San Francisco, who accompanied the Papal Legate to Manila and also was the recipient of special honors in Tokyo, broadcasted from Tokyo a radio talk to the United States wherein he was quoted (*Domei*) as declaring, "All those who have the world's peace at heart will indeed welcome the firm and unequivocal stand taken by the Japanese Government against Communism . . . Communism strikes at the very heart of human society; it takes away the rights of individuals; it destroys family life; it threatens national existence . . . Time and again Pope Pius XI denounced this common enemy of the human race and has striven to arouse individuals and nations to a realization of the peril facing humainty."

The Japanese delegation to the Eucharistic Congress, while in Shanghai enroute to Manila distributed pamphlets here urging a "holy war" on communism. The pamphlets declared briefly that "True Catholicism is synonomous with anti-Marxism," and called attention to the "insidious propaganda of the godless which bids fair to scar the tranquility of mankind and constituted the greatest of all dangers to family and country, particularly in the Far East among peoples whose traditions and ideals inculcated respect for home and authority." The circulars declared further that as Catholicism was the most relentless foe of Communism in the world, so was Japan the outstanding champion in the Far East of the drive against the spread of communism. Japan's every effort was directed toward preventing the spread of red doctrines in the Far East and Japan's purpose was to crush all subversive thought.

While no official statement was issued, or at least was not cabled to newspapers here, regarding any action that may have been taken by the Eucharistic Congress on the subject of communism in the Far East, the fact that the Chinese Apostolic Vicar at Nanking, Bishop Paul Yupin, has been appointed director-general of the so-called Catholic Action organization would indicate that the Church is planning active participation in the anti-red campaign which Japan has been pushing in this country. According to accounts in the newspapers in Manila the Catholic Action is a sort of intelligence service which keeps the authorities of the Church advised regarding communistic activities in areas where the Church has adherents.

UNDECLARED WAR ALREADY FOUGHT ON SIBERIAN FRONT

MEMBERS of the Japanese Diet did well to call attention to the critical situation on the border between the puppet state of Manchukuo and Siberia. One member inquired, "Are we strengthening our armaments because of the Army's belief in the inevitability of war with the Soviet Union?" Another declared that an "undeclared war" was already being fought along the Manchukuo-Siberian border by Soviet and Japanese troops. Premier General Senjuro Hayashi and War Minister General Gen Sugiyama, in replying, declared that the trouble was due to Moscow's insincerity—in other words "if Moscow reflects upon her insincerity and abolishes the powerful Soviet military machine in the Far East and terminates the Comintern's activities in Manchuria and China, then there would be peace."

An insight into actual conditions on the border was provided in news dispatches from Moscow which were telegraphed on Feb. 18 by *Reuters* and the Soviet *Tass* news service. They told of a little ceremony in the region of the station Pogranichnaya at the eastern end of the former Chinese-Eastern Railway where the line formerly crossed the border on the way to Vladivostok. On Feb. 16 there was a meeting, under protection of appropriate flags of truce, between detachments of Japanese and Soviet troops, when there was an exchange of bodies of soldiers who had been killed in recent engagements. The Russians handed over to the Japanese the bodies of eight Japanese soldiers and one captain who had been killed on Russian territory, while the Japanese handed over to the Russians the bodies of two Russian soldiers who had been killed in the same engagement. The report stated that a few days earlier there had been a similar ceremony near the Korean border when the Japan--Manchukuo military authorities were handed the body of Lieutenant Tominago, a Japanese officer who had been shot by a Russian sharp-shooter in the course of a clash wherein a Japanese-Manchukuoan contingent allegedly crossed the border into Russian territory to the rear of Vladivostok.

Japan's campaign of territorial expansion on the continent has carried the Japanese military forces so far beyond the Soviet Union's base at Vladivostok that that Russian outpost now resembles a dagger "pointed at Japan's heart," an expression which the Japanese formerly applied to Korea prior to the occupation and annexation of that territory. As a result of this situation the crisis on the Manchukuoan-Siberian border has gradually become more serious threatening to grow into a general war, particularly if the Japanese continue their intrigue in Inner and Outer-Mongolia.

"Re-Marriage" of Communists - Kuomintang Would Provide National Unity Against Japan

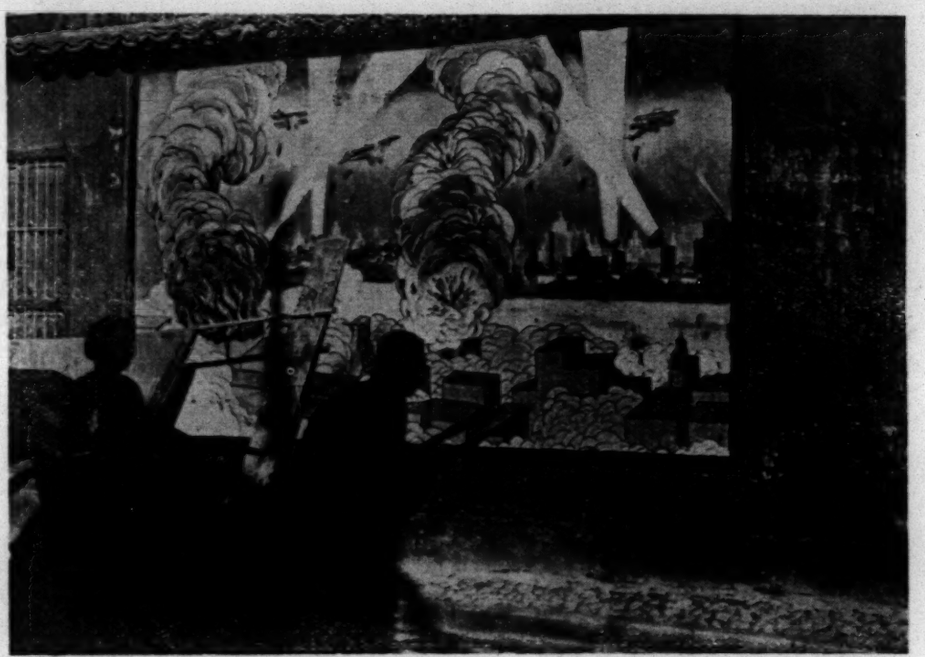
THE well-known American news magazine *Time* on January 11 published a final summary of the Sian episode, wherein it was declared, "The central reality behind all was merely that China has approached the point at which her leaders are considering open war with Japan, and they know that no Chinese leader can make even a partial success of such a war without Communist support from two sources; one, Chinese Communists; two, the Soviet Union." It was stated further that "there was every reason to suspect that the events at Sianfu clouded by side issues of kidnapping, ransom, and high-jacking were basically an exploration and feeling out of each other by the Chinese Communists and the political and financial groups which support General Chiang Kai-shek in the Nanking Government."

While many phases of the Sian episode are still surrounded by mystery and it is still too early to appraise the results of the Kuomintang Conference at Nanking last week, sufficient has appeared to indicate that the old political alliance between Kuomintang and Communists, broken off a decade ago, is in process of being re-established—under changed circumstances. The important point is involved in the phrase "changed circumstances" because the Chinese reds, as reported exclusively in *The Review* last week, have abandoned all their so-called principles, including the overthrow of the government by violent means and the expropriation of land. They have agreed to abolish their so-called "Soviet Government," and the Chinese red army or armies, are to be reorganized and incorporated into the National forces under officers selected by the Military Affairs Commission at Nanking.

On February 10 the Central Executive Committee of the Chinese Communist Party sent a telegram to the Kuomintang conference in Nanking, wherein it agreed to make the following alteration in policies which have characterized the party's activities over a period of a decade:

1. To stop our program of conducting armed uprisings throughout the country for the overthrow of the National Government in Nanking.
2. To change the Soviet Government into the Government of the Special Region of the Republic of China and the Red Army into the National Revolutionary Army under the direct leadership of the Central Government and the Military Affairs Commission in Nanking.
3. To enforce the thorough democratic system of universal suffrage within the special regions under the regime of the Government of the Special Region; and
4. To put an end to the policy of expropriating the land of landlords and to execute persistenly the common program of the anti-Japanese united front.

The Communists then recommend the following five point program:



War propaganda comes to China—Government poster in Soochow warning public against air-bombs—Picture by A. H. Buchman.

1. Suspension of civil wars of all sorts and concentration of all the national strength for unanimous resistance to external aggression;
2. Freedom of speech, assembly, organization, etc. and release of all political prisoners;
3. Convocation of a congress of various parties, factions, military groups and organizations in order to concentrate capable leaders of the country as a whole for the joint salvation of the country;
4. Immediate accomplishment of the preparatory work for a war of resistence against Japan; and
5. Amelioration of the living conditions of the people at large.

The proposals by the Chinese communists were similar to innumerable other proposals having a similar objective—the unification of all elements in the country to oppose Japanese aggression. For obvious reasons there has been no official statement regarding the Kuomintang's intentions. Gen. Chiang Kai-shek declared in the course of a long statement at the session of the Conference on Feb. 19, dealing with hap-

penings at Sian that the 8-point program of Gen. Chang Hsueh-liang—presented to Gen. Chiang while a prisoner—had been rejected. This program called for reorganization of the government, cessation of civil war, release of political prisoners, freedom of press, speech and assemblage, lifting of ban on political movements, adherence to the last will of Dr. Sun Yat-sen and convocation of a national salvation conference. Gen. Chiang declared that under the circumstances, he could not even consent to presenting the program to the Government—after his release—but if he did, he would accompany it by recommendation for its rejection.

But while the local Japanese newspapers hailed this as a "rejection of all red proposals and the downfall of the Comintern's program in China," several of the smaller Chinese papers claimed that on February 19 the Kuomintang Conference accepted a proposal submitted by Kwangsi which appeared to coincide in many respects with the eight point program submitted to General Chiang Kai-shek by the Young Marshal at Sianfu during the course of the incident. According to reports in the Chinese newspapers the Kwangsi program embraced the so-called United Front platform pertaining to armed resistance to the Japanese, the adoption of universal training for military service of all able-bodied citizens similar to the practice in Kwangsi, the abolition of censorship over newspapers, release of political prisoners and the calling of a national conference embracing representatives of all elements in the population to consider an outright program of war against Japan for the recovery of lost territories.

Of more significance was a 3,000 word "inside truth" explanation of the background of the situation now prevailing in the Northwestern provinces. According to this report the outbreak of the Sian incident was precipitated by the Manchurian troops as the leading factor with the Shensi troops serving as supplementary cooperators. Subsequently the Red Army joined the enterprise and played a leading role at the finish. The report in the *Ta Kung Pao* said:

"After the Mukden incident the Northeastern troops and their associates suffered bitterly from the loss of their home provinces and the subsequent distressful homeless life which they were compelled to lead. There was ingrained in their minds a longing to return to their home provinces, but they were unable alone to secure their objctive. Subsequently, following the return of Chang Hsueh-liang from his trip abroad, he assumed command of his troops under orders of the National Government to push forward the campaign against the Reds in compliance with the orders of the National Government. But the Northeastern troops suffered severe losses in the course of the anti-Red campaign, and many of them were taken prisoners by the Reds. Due to the contact of the captives with Reds, the political beliefs of the Northeastern troops were 'gradually shaken' and underwent a change as a result of this relationship. For practically a year the anti-Red campaign in northern Shensi had been suspended, despite the continued issuance of routine reports by certain Nanking news agencies of battles and victories by Government troops. In the course of time the Manchurian troops began to contemplate the possibility of causing an alteration of the anti-Red policy of the Central Government.

"That Chang Hsueh-liang realized what was going on was obvious, and on his repeated trips to Nanking it became more and more certain that he was unable to exercise control over his followers. The outbreak of the Suiyuan war caused tremendous excitement among the Northeastern troops in Shensi and Kansu. Consequently the situation became complicated, and every time Nanking complained at the slowness of the anti-red campaign the Northwestern leaders telegraphed back to Nanking demanding war against Japan. Thus was the way paved for the Sian mutiny and the seizure of Generalissimo Chiang Kai-shek.

"The basic units of the Shensi troops, viewing the sufferings of the Northeasterners because of their homeless life and the exciting explosion of the Suiyuan war, were tempted to support the Tungpei Army (Manchurians) in their mutinous activities, since they also had been convinced by the propaganda of the Communists that there should be a change in national policy As a result of the propaganda among the rank and file, first the younger officers and then the higher officers were affected, causing general 'mental uneasiness' even among higher officers.

"On the other hand the Red Armies which had broken the blockade of Nanking forces around Kiangsi in 1935, had been exiled to the Northwestern provinces had also given careful consideration to their previous policies. In other words, the Red Army, being made up largely of southern provincials, was in a position somewhat similar to that of the Manchurians. They also were exiles in a poverty-stricken, famine-afflicted section of the country. Hard facts had shown them that, although radical agitations for land reform might often break out as a result of special conditions in Chinese rural villages, yet such a struggle is as yet far from its final aim of securing political power. In view of the Government's dangerous situation with the country on the verge of extinction as a result of foreign aggrssion, the Red Army leaders had gradually given up their tactics based on the so-called class struggle and had adopted a new platform of national revolution. Thus the new policy voiced by the entire Northwest was aimed at the revision of its political stand, awaiting further development of the existing internal situation. But on the other hand their leaders voiced immediate resistance against the external enemy with the primary object of gaining 'general popularity'. Thus the new development really represented the yearnings of the discontented elements in the Northwest for an internal settlement of their situation. The relations of the Red leaders with Chang Hsueh-liang and Yang Hu-cheng's troops were the starting points of its re-participation in the internal politics of the country. The Red Army did not directly participate in the plot of the Sian mutiny on December 12. But the leaders were aware of it, although their representatives did not enter Sian until the fourth day after the kidnapping. They actually exercised a moderating affect upon the masses and the younger staff officers, who were overwhelmed with rebellious feelings. Due to their long political activities, they sensed the fact that the Sian mutiny, being a military conspiracy, could not be adopted as a revolutionary program, as it would be certain to lead to incessant civil war, thus weakening the country and defeating their real objectives.

"After the departure of Chang Hsueh-liang and General Chiang Kai-shek from Sian, extreme excitement and political instability prevailed in that city. Upon receipt of reports

that Chang Hsueh-liang was being detained in Nanking, excitement reached a high peak in Sian, as the radical young military officers lost control and attempted to assassinate sixteen of their superior officers. It was this attempt which resulted in the killing of Wang I-cheh and other leading Manchurian officers, in the uprising on February 2. On this occasion also the Red forces were said to have acted as mediators and prevented the situation from becoming worse.

"The change which had taken place in the policies of the Communist Party was indicated by developments in the Northwest. Their leaders were even against the so-called People's Front propaganda and believe that it should not be voiced in China, because the 'People's Front' is an expression of manifestation of internal conflict. China today needs no internal conflict. What China needs is internal peace and national unification, in other words defense of national existence through unification. It is unnecessary to declare opposition to Fascism in China, because no Fascism exists in China so far as the present situation is concerned. Since Fascism is aimed at encroachment on the weaker nations of the world, and exploitation of workers and peasants, this program has no appeal to the Chinese people. Viewing the necessities of the present situation of the country, the Chinese political structure should be in the form of a 'united national front,' that is, a unification of national forces and concentration on national strength in order to permit the country to strengthen itself for the vital struggle for national existence.

"The existing situation in the Northwest has, therefore, become a nation-wide problem, which should not be compared to any local development. We must not overlook the psychological state of mind prevailing among troops and peoples in the Northwest. Due to long sad experience they hate war and disasters, and a great majority has no desire or intention to overthrow the National Government. Practically all elements are convinced of the sincerity and devotion of General Chiang Kai-shek in the handling of national unification through a political reform of the National Government."

While the developments referred to in the foregoing paragraphs are gradually becoming understood it is not so simple to trace the ramifications of international politics affected by or involved in the allegedly changed attitude of the Chinese Red Armies.

Whether one does or does not believe that the Chinese red armies were amenable to Moscow dictation, it is impossible to ignore the changed circumstances of Russian power in the Far East. In 1927 when Britain and the other Powers landed troops on the China coast and thus forced the dissolution of the Kuomintang-Communist alliance, the Soviet Union was not in a position to extend material help to its Chinese allies. The collapse of the China adventure precipitated the split between Stalin and Trotsky and almost upset the Soviet government. The outcome was the first Five Year Plan, designed to make the country strong in a military sense. Now as that objective has been achieved, it creates an entirely different situation in the balance of power in the Far East, because the Russians are now in a position to extend material assistance—military assistance—to their allies on the Chinese political stage.

While the Sian developments aroused intense interest all over the world, greatest interest naturally was aroused in Japan and the Soviet Union. The publication known as *International Press Correspondence*, organ of the Third International published in the English language in London, England, has printed several significant reports bearing on developments at Sian. It was more or less obvious from these reports that the Russians feared an outbreak of civil war in China, which would almost certainly involve them, as they have become involved in the civil war in Spain. In other words, there was a realization in Moscow that a civil war in China involving Chinese Communists would arouse entrely too much interest in Russia for the comfort of the Soviet Government, which would be unable to prevent participation on the part of elements in the border districts extending from Central Asia to the Siberian Far East. As a result of this fear, the world was presented with the unexpected spectacle of Moscow coming out in support of General Chiang Kai-shek, the Communists' worst enemy in China over a period of a decade.

All of the official publications in Russia strongly condemned Chang Hsueh-liang's action in kidnapping Generalissimo Chang Kai-shek. The issue of *International Press Correspondence* for January 2 declared that the attempt to launch a fratricidal war and frustrate the unification of the country in the struggle against Japan represented a "valuable service to the Japanese aggressors. The fratricidal war launched by Chang Hsueh-liang has paved the way for Japanese aggression. Chang Hsueh-liang's insurrection came at an opportune time for the Japanese aggressors, who are in difficulties at home. One thing is certain, the result of this revolt can only be a new exceedingly sanguinary civil war and a further weakening of China, a result which is diametrically opposed to the aim of the Communist Party of China, which seeks to unite the Chinese nation against the Japanese invaders. No matter what clique of Chinese politicians may have conspired with Chang Hsueh-liang, their insurrection has nothing in common with the cause of the Chinese people, who are striving for their freedom. The Revolution can only benefit the worst enemy of China, namely Japanese imperialism."

Nanking's belief that the Chinese red forces were receiving Russian support was indicated in the remarkable resolution issued by the Central Executive Committee Convention which specified the conditions for liquidating the communist organization. The last paragraph of the resolution declared, "No nation on earth can tolerate the existence within its territory of any organization which is detrimental to the interests of the state and the whole people, *and which depends on*

external forces for its activities. . . For the preservation of the last glory of the Republic and the consummation of the Three People's Principles, the Red scourge must be annihilated root and branch."

While the Kuomintang manifesto attributed the willingness of the Chinese red armies to surrender and dissolve their so-called Soviet Government to difficult conditions "in the Northwestern corner of the country where livelihood was difficult and foodstuffs were scarce," there is considerable evidence that Moscow also had much to do with the decision. The Shanghai *Nichi-Nichi* (Japanese) claimed that the Comintern recently had sent instructions to the Chinese Communist Party to the following effect:

"Since the road to China's salvation lies through war with Japan, and as the Chinese masses are too backward for Communism, the members of the Chinese Communist Party must effect a compromise with the Kuomintang in Shensi, Kansu, Ninghsia, Chinghai and Sinkiang on the basis of a united front policy. All forms of alliance with the Soviet Union must be avoided and the Communists must strive to establish a united front regime in the region to the west of the Yellow River, namely, from Tungkwan to Tsetsekwan. The Soviet governments in Fuping (Shensi) and in Kansu must be liquidated. Together with the troops of Gens. Chang Hsueh-liang and Yang Hu-chen, the Communists must set up an anti-Japanese front. Party members must be strictly prohibited from entering the provinces of Shansi, Honan, Hupeh and Szechwan. Gen. Chiang Kai-shek must be respected, so that united front may gain the sympathy of his followers."

There was, however, much earlier evidence that the Communist International had advised the Chinese red organizations to change their program and seek fresh alliance with the Kuomintang Party. In August 1936 the international red organ (published in London) carried an article by a well known Chinese red writer named Wan Min who declared that a fundamental change in Chinese red policy was necessary. He said,

"The aggression of Japanese imperialism has changed the whole situation in China. The Chinese people are now facing a dilemma to resist this aggression—which would mean life for them—or not to resist it—which would mean death for both the people and the country. This has made it necessary for a new grouping of forces which are striving in China and has induced the unification and cooperation of different classes and strata, parties and groups and their military forces with the aim of a common fight against the enemy, Imperial Japan. . . There has not always been antagonism between the Communist Party and the Kuomintang. . . there was from 1919 to 1927 close cooperation. . . the present intentions of the Communists and other organizations to join the Kuomintang must not be regarded as a political maneuver, but is the only honest, candid and effective policy based on the national existence of China. . . the assertion that the whole Kuomintang is against the Communist Party is contrary to the truth. . . Among the Kuomintang members are many students from the Whampao and other military schools, some of whom remember the noble tradition of the nationalist revolution from 1925 to 1927 and still dream of the fight for the freedom and happiness of their people and state. . . Certain groups in the country have already started joining the Communists, and other groups with a view of forming a united anti-Japanese front. . . which will be declared against Japanese imperialism *only* and by no means against imperialism as a whole. . . We must point out that we are not personal enemies of Gen. Chiang Kai-shek. . . our enmity has been the natural consequence of a divergence of opinion concerning the vital problems of the political existence of China. . . we have categorically opposed the ruinous policy of certain Kuomintang leaders who have insisted upon dealing with interior enemies first and thus postponing the fight against Japan until the time when peace inside the country shall have been obtained. . . As soon as we have entered into an agreement with Gen. Chiang Kai-shek for a common fight with the aim of protecting the Chinese people from foreign aggression, why should we not form a united front with Gen. Chiang in the interest of more "effective resistence against our common enemy."

In the conclusion of his article Wan Min declared that the Communist Party was ready to support the idea of a single "All-China People's Democratic Republic," with a representative parliament elected through universal suffrage . . . which would represent the whole Chinese people with no racial, national, class, political, party or religious limitations.

What the outcome of this re-marriage of Communist and Kuomintang (providing it can be consummated) will be cannot be forecasted now, but the decision of the Kuomintang Conference to accept the red surrender constituted an epochal turning point in Chinese policy which is certain to fundamentally affect international relations in the Far East. That the significance of the pending change is already better understood abroad, particularly in America, than it is in Shanghai, was indicated in editorials dealing with the Sian episode. For example the *Christian Century* (Chicago) stated (issue Jan. 13), "The suspicion grows that General Chiang Kai-shek's abduction has provided the opportunity for negotiating a return of the communists to the fold of the central Chinese government. . . . If this proves to be the case it will mean that Japan's ruthless military policy has succeeded in doing exactly the opposite of what it has ostensibly sought to do. Instead of eliminating communism from China, it will have given communism its first security inside the Chinese government!"

The bulletin of the American Council, Institute of Pacific Relations (article by Frederick V. Field) declared,

"It has become increasingly apparent during the last year that one of the major achievements of Japanese aggression on the mainland of Asia has been to spur the unification and strengthening of China. Though this gradual welding of the Chinese nation has been a matter of primary concern to all Chinese leaders for a generation and more, it seems that nothing has so accelerated the process as the urgency of the problem of national self-preservation brought about by Japanese pressure. Ironic as this may be from the point of view of the Japanese militarist and expensive as it may be from that of the Chinese people, it may well be that history will mark the present years as the turning point from the disintegration of China which persistently followed foreign encroachments into her economy, society and body politic to a unification which brought China into a position of equality among nations."

China's Film Magnate, T. J. Holt, to Seek Ideas Abroad for Development of Moving Picture Industry

BY P. Y. CHIEN

T. J. Holt, General Manager of the Shanghai Amusement and the Shanghai South Amusement Companies, and Vice-President of the Shanghai United Amusements, Inc., now operating a number of motion picture theatres in Shanghai and Nanking, is starting on a tour of America and Europe. He is scheduled to sail on the *President Hoover* for San Francisco on March 9. After reaching the west coast of America, he will, immediately proceed to Hollywood, America's film capital, where he will stay for some time.

Mr. Holt will be a Chinese Government Representative under the auspices of the Ministry of Industries. The Chinese Government, realizing the backwardness of the Chinese film industry, has long felt the necessity of having a competent professional man sent to foreign countries for the purpose of making necessary investigations, especially in America where motion pictures are one of the ten foremost industries. Mr. Holt was therefore most propitiously selected to undertake the task. On his report, after his return, will be based the future schemes of the Chinese Government towards the promotion of the film industry, both as a means of popular entertainment and as a potential tool for political propaganda.

T. J. Holt

Most of Mr. Holt's time will be spent in America, dividing his efforts between Hollywood and New York. While in America, he will also make necessary arrangements and pave the way for groups of Chinese students whom the Chinese Government may in future send over to study the various branches of activity of the American motion picture industry.

After having completed his investigations in America, Mr. Holt will proceed to England, which comes next to America in importance, as regards films imported into the country. The length of his stay in London will be determined by circumstances. The remaining part of his itinerary will be made up in accordance with later requirements and the time at his disposal. He, however, expects to be able to attend the Fifth Film Congress of the World, which will be held in Venice in August.

"To state the simple truth," Mr. Holt informed an interviewer, the other day, in his spacious offices on the third floor of the Nanking Theatre facing Rue Marco Polo, French Concession, Shanghai, the "motion picture industry in China is still in a rudimentary stage. Like a plant, it needs nourishment, moisture and sunshine for its growth. When these things cannot be obtained locally, some way must be found to procure them from alien sources. For instance, a little foreign experience and a little foreign technique will work wonders in the present limp condition of the film business in the country."

Mr. Holt attributes the backwardness of China's motion picture business to several contributing factors. The first, and perhaps the most important, factor is the deep-rooted slight and discrimination towards actors and actresses in general in China. Theatrical performers as a separate caste in China have always been looked down upon as mere public entertainers and are excluded from good society. For instance, in the days of the Tsing dynasty, descendants of actors and actresses were for three generations prohibited from taking part in the Imperial Examinations. Although there has been a change of attitude since the establishment of the Republic towards actors and actresses, there has never been a complete overturn of the traditional indifference towards theatrical professional men and women.

Among the other contributory causes, according to Mr. Holt, is the lack of working capital necessary to embark on an expensive enterprise like a film company. Judging from the capitalization of foreign companies, films can no longer be produced in poorly equipped and poorly manned studios, not even in China. It will not be economically profitable because of the fact that the present-day movie public has been so accustomed to elaborate and expensive scenes that pictures produced in shabby environments and niggardly costumes no longer attract audiences.

Even the Chinese moviegoers have become particular and fastidious. Their tastes are advancing by leaps and bounds. They have been used to the standard of imported films, productions of not only faultless acting, but also correct technique. Therefore, even in Chinese film production, only big-money pictures can attract box-office receipts nowadays.

Mr. Holt, however, denies the public notion created by the unfounded rumors that he would solicit foreign capital while he remains abroad, to start Sino-foreign companies in China. He says such reports are ridiculous. Right here in China, according to Mr. Holt, there is plenty of idle money awaiting enterprising business promoters to use. The only trouble with the Chinese film industry is not a simple shortage of money, but lack of business experience and able management, and a series of irrevocable failures have scared away potential capitalists.

There is then a great need of technical men in the trade. To fill the different branches of the production processes with an efficient staff of technicians is a big problem, which the Chinese producers must try to solve. From the scenario writer down to the electrician and from the big director down to the extras, there needs to be a complete change of staff in the Chinese studios. If these technicians cannot be secured locally, foreign talent must be brought over either for direct work or for the purpose of training up Chinese technicians for future reserve.

"There is, however," stated Mr. Holt, "a great future for China's motion picture industry. For

instance, the gross receipts of Chinese movie theatres for 1936 are roughly estimated at about $10,000,000, or just about one-third of one per cent of the gross receipts of American movie houses for the same year, which is given by R. H. Cochrane, President of the Universal Pictures Company, at about $1,000,000,000 U.S. currency. On the other hand, the population of China is about three times that of our sister republic across the sea. Therefore, it can be safely said that our field is still an unexploited one, open to ambitious pioneers.

"Take again, for instance, the number of movie theatres in different countries. In China proper there are at present only some 200 motion picture theatres, or about 300, including Manchuria, Hongkong and Macao. In the U.S.A., there were 18,500 movie theatres in 1936, while there were 5,000 in Germany and 1,800 in Japan for the same year. Soviet Russia boasts of its large number of motion picture theatres as being nearly 30,000, including about 10,000 regular urban theatres and 20,000 rural theatres. Even in Belgium, which is smaller in size than a Chinese province, there are 790 motion picture theatres, or almost four times the number of Chinese movie theatres. All these figures point to the fact that China so far is still a virgin field in regard to the film industry. What a great future!" Mr. Holt actually beamed when he looked into the future greatness of China's film trade—now shrouded in hazy visions.

Mr. Holt attributes the small number of Chinese movie theatres to two things: that the number of Chinese films produced each year does not cope with the increasing demand of theatres in the country's vast hinterland and that the motion picture is still considered a luxury, owing to the admission fee being higher than the living conditions in China permit.

With reference to foreign films in China, Mr. Holt expresses disappointment regarding the conception which foreign film agents in China generally hold. There has been only a brief period of 15 years since American film companies first set up their distributing offices in China, the first being that of the Universal Pictures Company in 1921. He, however, deplores the fact that their chief mission here was to wring as much money out of Chinese Theatres and moviegoers as possible. They have done little to promote the goodwill of the Chinese public or to develop fans in China, although, according to Mr. Holt, Chinese exhibitors never depended entirely upon them. It is expected, therefore, that during his sojourn in America, a better understanding can be formed between the Chinese and the American film trade.

Mr. Holt is a man of small stature, 45 years of age, who is the embodiment of unbounded energy and driving power. Besides being general manager of three amusement companies operating a number of movie theatres in Shanghai, Nanking and Canton, he is also president of the Shanghai Motion Picture Exhibitors Association. He is a 32nd degree Mason and a Shriner. Mr. Holt speaks perfect English, being a graduate from St. John's University of Shanghai. He was once an educator, having taught in the Hangchow Christian College and the Shanghai Y.M.C.A. School. He first entered the motion picture business in 1919, operating the Isis Theatre in Hongkew, Shanghai, on a small scale. This preliminary taste of success led him to start the Peking and the Nanking Theatres in Shanghai, the State Theatre in Nanking and the Chung Wah and the Sun Wah in Canton. The latest additions to Mr. Holt's activities are the Metropol and the Rialto Theatres, which, together with the Nanking Theatre, stand like a gigantic tripod in the Shanghai movie-exhibition business. Mr. Holt is also a member of the Rotary Club and figures prominently in Shanghai's public activities.

Italian Sailors Raid Isis Theatre, Burn "Abyssinia" Film

The showing of the Soviet film "Abyssinia" in the Isis Theater, situated on Chinese-controlled territory just beyond the limits of the Shanghai Foreign Settlement, with frontage on North Szechuen road, came to a sudden stop on the afternoon of February 20, when a group of about 100 Italian sailors from the Italian gunboat *Lepanto* and Italian residents of Shanghai staged a demonstration, drove the audience out of the theatre with ammonia fumes, smashed the projection apparatus and seized the film itself. This film had been the subject of dispute between the Isis Theatre management and the Italian Consular authorities several weeks previously. The film was advertised to be shown at that time, after having passed the Chinese censorship in the usual way. It was withdrawn after a few showings, however, on orders of the Chinese Bureau of Public Safety, following complaints from the Italian Consular authorites. The film was thereupon again sent to Nanking and censored once more, having passed with the approval of an Italian official. The Isis Theatre therepon announced the showing of the film in large advertisements, six performances to be given during each of two days, Feb. 20 and 21. Large throngs visited the theatre and at the time the Italians staged their raid there were about 1,000 in attendance.

The raid, which took place during the three o'clock showing, was carried out with precision and celerity, from all accounts under the direction of Romole Angelone, commercial counselor for Italy. There were about 50 Italians in uniform present, 20 of them on the main floor. Several score more Italians in civilian dress were scattered throughout the theatre. After the shorts had been shown, and just as the "Abyssinia" film was about to be thrown on the screen, Mr. Angelone gave an order in Italian. Shouting "Vive Il Duce" and other patriotic slogans, the Italians commenced their raid. First they scattered ammonia through the building, causing the audience to rush helter-skelter for the exits. Next one of the Italians threw a coat over the projection aperture to shut off the light. The Isis management had taken precautions against possible trouble, and the lights were thrown on immediately the rumpus commenced. However, all precautions were unavailing against a demonstration of such huge magnitude. The demonstrators converged on the projecting room and smashed the door, and then the instrument itself. Some of the Italians used butts of pistols or iron bars in committing their assaults. The Russian technician, I. Abramovitch, who tried to protect his employers' property, had his arm broken by an iron bar, wielded by an Italian. Members of the Chinese Bureau of Public Safety, several men from the Settlement Police Force, and members of the Japanese Naval Landing Party came to the scene, but made no attempt to interfere with the Italians, all of whom left the theatre proudly in a body smashing glass and furniture as they went.

During the excitement at least a half-dozen shots were fired over the heads of the audience, the bullets lodging in the brick wall near the curtain.

The raid on the Isis Theater by Italians, some wearing the uniforms of the Italian Navy, was particularly reprehensible due to the fact that the management of the movie-house had taken precautions to obtain consent of the Chinese censorship authorities at Nanking. But not satisfied with this the local Italian consular authorities interfered with the original showing and forced the management to discontinue in the midst of an exhibition and refund the paid admissions.

The question was then referred to Nanking and the official censors re-inspected the film and further sections were deleted.

As a result of the original complications over the film, the Italian Ambassador and officials of the Nanking Foreign Office entered into a verbal understanding whereby they agreed to

censor films regarded mutually objectionable. It was in strict accordance with this agreement that the Nanking censors re-examined the film; hence the action of the Italians in wrecking the theater and stealing the film constituted a repudiation of their own agreement with the Nanking Foreign Office.

The interests of quite a number of countries are involved in the affair. In addition to the Chinese and Italians, the Soviet Government is interested in the matter not only because the lessees of the theatre are Soviet citizens, but because the film was being shown by Soviet cinema men. American interests are involved because the film itself was released by the Asia Films of China, an American firm.

Two reels of the seized film were subsequently burned by the bluejackets at the Keechong Road Jetty, a considerable distance from the theatre.

This latest demonstration at the Isis Theatre was the most serious of the several that have taken place in Shanghai at cinema houses during the past several years, in the most of which Italians were involved.

In 1929 the film of the American picture "Street Angel" being shown at the Capitol, was seized and publicly burned by a group of Italians. A year later Italians staged a riot at the Carlton when the American picture "Last Drive" showed groups of Italians in retreat before the Austrians in the Great War. The management thereupon agreed to cut out that part of the picture.

The Isis Theatre building is owned by the Premier Land Investment Co., the agents for which are A. R. Burkill & Co., one of the oldest and most promient British firms in Shanghai. The cinema business is in the hands of two Soviet citizens, Mr. Savariandze and another, who are the lessees of the premises.

The theatre will be closed for about a week pending the making of repairs and the securing of a new projecting apparatus. The damage to the theatre, which is insured, is estimated at $20,000.

Waichiaopu Sends Protest Against Isis Theatre Riot

A note was filed with the Italian Embassy by the Waichiaopu Feb. 22, strongly protesting against the attack on the Isis Theatre by a party of Italian sailors and civilians. In the note the Foreign Office demanded immediate punishment of the ringleaders of the riot, immediate return of the detained film "Abyssinia" and immediate compensation for those injured during the demonstration. The Waichiaopu also reserved the right for presenting further demands.

It was pointed out that all objectionable parts in the picture had been cut out by the Central Movie Censorship Board upon the request of the Italian Embassy before the film was returned to the distributors, the Asia Films of China. The holding of the second review by Chinese censors, it was further explained, was made purely in consideration of the existing Sino-Italian friendly relations.

Dr. Kuangson Young Says There Must Be Compensation

In a first page editorial in *The China Press*, Feb. 24, Dr. C. Kuangson Young discussed the Italian Government's responsibility in connection with the attack on the Isis Theatre. He mentioned that it was not a mob attack, but a premeditated organized assault by men in uniform who are accustomed to receive and execute orders from their superior officers. Dr. Young said a sense of fairness, which be hoped the Italian authorities shared, demands that there shall be full compensation to the owners of the theatre.

Chinese Comment on the Italian Attack on the Isis Theatre

Discussing the Italian attack on the Isis Theatre, the *Lib Pao* in an editorial commented: "The outrageous attack of the Italian marines against the Isis Theatre is understood to have been the result of organized and planned actions, not merely an act of emotion. Their actions were not taken purely towards the Isis Theatre, but they constitute on open insult upon the Chinese Government. Although our competent authorities did not take effective measures to prevent the outbreak of this event, in which the Italian marines in Chinese territory openly took insulting actions against the Chinese Government, yet we believe that the Government will adopt appropriate measures in the settlement of this matter, in order to maintain the dignity of our national sovereignty."

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Italian Sailors and British Soldiers in Sunday Night Brawl

Naval ratings from the Italian gunboat *Lepanto* and British soldiers from the Loyal Regiment were participants in a severe clash which took place late at night of Feb. 21 in Rue Chu Pao Shan, in the French Concession of Shanghai, a street which is devoted mainly to cabarets and cafes. The affair was the culmination of a dispute which began the previous night. One of the British soldiers involved in the affray is suffering from a severe contusion and several of the Italians were also injured. It is alleged that the Italian naval ratings made use of black-jacks similar to those used at the Isis Theatre riot.

Supreme Court Rules Late Mr. Hardoon Was British

IN a lengthy judgment, the text of which covered 75 type-written sheets, Judge Grant Jones in the British Supreme Court Feb. 9 dismissed the suit brought by Khan Badahur Ezra Saleh Hardoon, claiming to be next of kin to the late Silas Aaron Hardoon, against the Chinese widow, who benefited solely under the will of the late Shanghai wealthy land owner, who left an estate valued at upwards of about $100,000,000. The decision turned on the point of the nationality of the late Mr. Hardoon. The judgment contained a lengthy summary of the status of "British protected persons" as against "British subjects."

It was contended for plaintiff that the late Silas Aaron Hardoon was born at Bagdad in Iraq, the son of Aaron Hardoon, also born at Bagdad and ordinarily resident there at the time of his son's birth, and further that deceased at the time of his death was a subject of the King of Iraq though domiciled and under the protection of the British Government in China. It was argued that the estate should be distributed according to the law of Iraq and that the defendant widow was only entitled to one-fourth of the estate, the remaining three-fourths to be distributed by the defendant equally among the next of kin of the deceased.

The basis of the claim, said Judge Grant Jones, is that the deceased automatically became a national of Iraq under their Nationality Law of 1924. Reviewing this law and amendments subsequent to 1927, he said that it was clearly the view of the Iraq authorities then that Ottoman subjects who were born in Iraq but were not habitually resident there from August 23, 1921, to August 6, 1924, could not claim Iraq nationality unless they opted for it under that Article and their options were accepted. This ruling was consistently maintained until after Silas Hardoon's death in 1931 and Ottoman subjects born in Iraq who failed to opt for Iraq nationality within the prescribed period were repeatedly informed that they were not Iraq nationals. On November 12, following his death, however, the Iraq authorities preferred a claim that Silas Hardoon at the time of his death had become an Iraq national.

Following a review of authorities, both British and international, Judge Grant Jones held:

"Silas Aaron Hardoon never became a citizen of the newly-established and recognized State. The authorities of Iraq were probably ignorant of his existence before his death; they certainly afforded him no protection in life and in life he proffered them no allegiance . . . . The burden was on the plaintiff in this case to establish the nationality which he claims for the deceased and in my opinion he has failed to discharge it. I hold accordingly that Silas Aaron Hardoon at the date of his death had not become a subject of His Majesty the King of Iraq."

It was further argued for the plaintiff that British protected persons are included in the definition of "British subject" under Article 3 of the Order in Council for conciseness only and their personal status is not affected thereby. Deceased was not a British subject by birth or naturalization, it was pointed out.

Undertaking this quetsion, Judge Grant Jones traced the history of extraterritoriality in the sphere of its earliest development in medieval. Europe and under the East India Company ventures in India and China.

Said Judge Grant Jones: Exponents of the contractual theory of the origin of extraterritoriality thus ignore in general the fact that law is often traceable to usage in the sense that what was once usage afterwards became law without express enactment, and in particular British usage in China before the treaties existed and the constitution of the British Court for China in 1833, nine years before the first of them.

A lengthy review of the Ottoman Order in the light of several relevant cases on the subject was made although in conclusion he pointed out that the distinction between subject and protected person persisted throughout the Ottoman Order and is markedly absent from the China Orders. He ruled that a British protected person is in exactly the same position under the Order in Council for all purposes as a British subject in the full sense of the term.

"My conclusion on the whole matter," he said, "is that the *lex loci rei sitae* and the law of the country of the domicil are, in the case of a British subject or fully protected person domiciled in China, the law which the Crown has by Order in Council prescribed for His Majesty's Court in China. That is to say, the local or territorial law of England; that the will of the late Silas Aaron Hardoon was therefore valid not only in form but also in substance. Judgment must accordingly be entered for the defendant with costs."

Thus, unless an eventual successful appeal is made to the House of Lords, this vast estate will remain

entirely in the hands of the Chinese widow of the late Mr. Hardoon. The estate itself furnishes a striking example of the benefits of extraterritoriality as an aid to the piling up of a huge private fortune. The original basis of the Hardoon estate was the opium business, the principal characteristic of which has been that it proved highly profitable to those who engaged in it and highly detrimental to the victims of it, nearly all of them Chinese citizens. With the money thus accumulated the late Mr. Hardoon made investments in real estate and it is here that he benefitted particularly from the extraterritorial principle. He exploited the citizens of Shanghai, in this instance also mostly Chinese, through the gift of protection which the taxpayers of England and of other countries gave him. The profits gained from the high rents which such protection made possible he put in his pocket. Out of those profits he did not even pay an income tax.

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"A Lawyer" Discusses Extraterritorality in "North China Daily News"

A discussion of extraterritorialty based on a Chinese official bulletin entitled "Judicial Reforms in China (by E. C. Tang) by "A Lawyer" appeared in the *North China Daily News* Feb. 18, in which the following comments appear:

"That one of the principal objectives of judicial reform in China is the establishment of a judicial system which shall satisfy the governments of the foreign Powers and that the time has come when they can safely consent to the modification of the system of extraterritoriality, is laudable and natural enough."

"From a Western point of view, the law of evidence is the weakest part of the practice and procedure of the Chinese Courts. Little distinction is made between direct evidence of fact given by a party in the witness-box, and a statement made on behalf of a party by his lawyer."

"A development of Western procedure, which the Chinese courts might well adopt, is that of payment into court. When a plaintiff has brought a case and won it, it is unfair that he should be deprived of the fruits of his victory for a year or two years by successive appeals—often filed merely for purposes of delay—during which the defendant has many opportunities to conceal his assets or to arrange so that the final judgment, when obtained, shall be practically useless to the plaintiff."

Local Japanese Budget Under Fire

Bitter attacks upon the "excessive salary" and the "dictatorial powers" enjoyed by the President of the Japanese Residents' Corporation were made Feb. 21 by nine candidates seeking seats on the Corporation's Council in this week's elections. To the applause of a capacity audience of 300 local Nipponese residents, Kanichi Kobayashi, Independent, who is one of nine candidates for seats on the Council, charged that the high officials of the Corporation "get much more pay, do much less work than the underpaid teachers" in local Japanese schools. The Corporation's budget, he further declared, "is excessive because of the high salaries paid to high officials" of the organization.

Ranee of Sarawak, Enroute to Hollywood, Is a Visitor to Shanghai

The Ranee of Sarawak, the wife of Sir Charles Vyner Brooke, the only white rajah in the world, was a visitor to Shanghai for several days this week. The Ranee went out to Sarawak as a bride from England 25 years ago, she then being the Hon. Sylvia Brett. Her Highness is a successful authoress, one of her most important books being an autobiography entitled "Sylvia of Sarawak." She is on her way to Hollywood where Warner Bros. are to produce her scenario written about Sir James Brooke, the first white Rajah. Errol Flynn is to play the part of Sir James. One of the daughters of the Ranee is married to the Earl of Inchcape and another to Harry Roy, the orchestra leader.

First Dollar Boats Since Shipping Strike Arrive Here

The Dollar Liner *President Hoover* arrived in Shanghai Feb. 24 from San Francisco, this being the first vessel to leave the United States following the ending of the long-drawn out seaman's strike. The round-the-world liner *President Hayes*, which was tied up at Honolulu, also arrived here this week. The *President Hoover* was held up in San Francisco throughout the strike which terminated in the first week of this month after having continued slightly over three months. The vessel was loaded with cargo for Shanghai throughout that period.

Mme. Chiang Kai-shek Broadcasts Speech on "New Life"

The first Chinese lady to speak over the ether to America, Madame Chiang Kai-shek, wife of the Generalissimo, broadcast from her home Feb. 21 a message of good-will to friends and well-wishers of China in the United States.

Introduced by Dr. C. T. Wang, Chinese Ambassador-designate to Washington, Madame Chiang touched upon the forces now working in China for genuine unification, educational and economic reconstruction, and the building of people's character through the New Life Movement.

In the course of her radio speech Madame Chiang said:—

"The New Life Movement, the third anniversary of which we are celebrating this week, is deeply concerned with the character that goes to make a nation. Without men of character there can be no unified state. When men allow personal ambition, greed, selfishness and vain glory to dominate their political theories and actings, we are immediately plunged into civil war. There is an old Chinese saying: 'If you are planning for one year, sow grain; if planning for ten years plant trees but when planning for a hundred years grow men.' The work of educators, missionaries, social workers, the various philanthropic foundations and now the New Life Movement is deeply concerned with developing men and women of character. As China finds herself being closely knit together into one unified whole she acknowledges a debt of gratitude to her own sons and daughters and to those who have come to us from across the seas.

"In addition to building character, the New Life Movement stresses the responsibility and duties of citizenship. Ambitious men may intrigue to invade neighboring provinces but as citizens are more and more voicing their opinions and insisting upon unification, this breaking of national unity is becoming exceedingly difficult. He is a fool-hardy man indeed who today will disregard this growing and formidable public opinion. National unity is here because the people demand it.

"Generalissimo Chiang Kai-shek has devoted the greater part of his life to the unification of China's armies and this has been no small undertaking. For sometime past he has been turning his attention to the economic and social needs of the people as the next logical step in the modernization of this country.

"But before I go to that fascinating subject, let me devote a few minutes to the remarkable advancement in cultural education that is taking place right before our eyes. This may be the least sensational phase of the national program of reconstruction but it is certainly the most far-reaching.

"Everywhere in China there seems to be an insatiate thirst for knowledge. Book stores are crowded, periodicals and magazines are increasing and newspapers are bursting open around us like popcorn. Universities, schools, lecture halls, are all crowded. Popular evening classes for farmers, workers, ricsha pullers, shop assistants and housekeepers are in full swing in most large centers. All modern findings in hygiene and diet as well as the simpler rules for healthful living are eagerly sought for. The radio over which I am now speaking to you is being listened to by tens of thousands of our people. We receive fan mail from the remotest corners of our country. Knowledge and unification go hand in hand.

"To you in America, Canada, Great Britain and Europe, we are greatly indebted for the part you have played and are still playing in helping us to spread knowledge of the modern world throughout the provinces of China.

To the Generalissimo and to me it is a great pleasure indeed to be able to speak to you in your own homes. I wonder if this makes you realize as it does me that we are brothers and sisters the world over? Why should there ever be misunderstanding and strife when there are so many of us who hold the same ideals and are working for world peace and progress?

"In order to ensure a still more rapid spread of knowledge throughout this country we are relying upon the New Life Movement which is gathering together those currents of life and thought which count most in the reconstruction of the nation. All cultural organizations are working towards a new social order, which has now become the symbol of unity and service. On this our third anniversary, telegrams are pouring in from all over the world offering congratulations and co-operation. One has just come from the Chinese in Manila requesting the opening of New Life Movement associations in the Philippine Islands. Every one of these requests will be carefully answered by the enthusiastic young men and women who are feeling the thrill of building a new China. It is reassuring on this our third birthday to have such complete cooperation within and so many offers of help from overseas Chinese and friends abroad."

Government Leaders Urge National Unity on New Life Movement Anniversary

An appeal for closer national unification was voiced by high government officials who spoke at the mass meeting held at the Officers' Moral Endeavor Association in Nanking, Feb. 19 in commemoration of the third anniversary of the New Life Movement. The capital was bedecked with National and Party colors in honor of the occasion, while separate meetings were also held in government offices, school and universities.

Kuomintang-Communist Compromise Effected at C. E. C. Session; Manifesto Outlines Future Policies

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang Resigns for Third Time, Reports on Sian Mutiny.**
2. **Date For People's Congress Fixed for November 12 at Party Meet.**
3. **Kuomintang Lays Down Conditions For Reconciliation With Reds.**
4. **China's Domestic and Foreign Policies Enunciated in Manifesto.**
5. **Madame Sun, Feng Yu-hsiang Appeal For National Unity.**
6. **Gen. Chiang on Freedom of Speech, Liberation of Political Offenders.**
7. **Hayashi Says He Has "Different Idea" of Realizing Hirota Program.**

After an eight-day conference, the Third Plenary Session of the Fifth Central Executive Committee was formally adjourned Feb. 22. Attended by more than 130 C.E.C. and C.S.C. members, the closing ceremony was presided over by Wang Fah-chin, member of the Presidium. Opened on Feb. 15 and with upwards of 170 C.E.C. and C.S.C. members in attendance, the Session held one preparatory meeting and six business meetings. Members of the five sub-committees met four times to examine 100 or more proposals submitted to the Session and eight meetings were held by the Presidium. General Chiang Kai-shek, President of the Executive Yuan, was absent from the closing exercise, which was concluded with the reading by Yu Yu-jen, President of the Control Yuan, of the Session manifesto.

KUNG REPORTS ON FINANCES AT THIRD MEETING

The third general meeting of the Third Plenary Session in the was held morning of Feb. 18, when many resolutions, relating to Party, political, economic and educational affairs, were adopted. One of the high lights of the meeting was the financial report, made verbally by Dr. H. H. Kung, Vice-president of the Executive Yuan and Minister of Finance, which was supplementary to a written report he had submitted to the Session. Upon the motion of Wang Ching-wei, chairman of the Central Political Council, the meeting which was attended by 177 C.E.C. and S.C.C. members and presided over by Tai Chi-tao, president of the Examination Yuan, observed a three-minute silence in mourning over the death Feb. 17 of Gen. Chu Pei-teh, Officer-in-Charge of the Military Affairs Commission. Among the resolutions relating to political affairs adopted by the meeting was one submitted by Dr. C. T. Wang, Ambassador-desgnate to the United States, and four others, which provided for the increase of expenses for Chinese diplomatic and Consular services abroad.

Other proposals adopted were briefly as follows:

Proposal of Gen. Ho Chien, chairman of the Hunan provincial government, which favored the creation of an official organ to assume charge of assimilation of the Miao and Yao people on the Hunan, Kwangsi, Szechwan and Kweichow borders;

Proposal that relief funds be remitted to Honan to relieve refugees in the famine-striken areas in that province;

Proposal that urgent funds be remitted to Kansu to relieve the famine victims and that work relief projects be launched in the Communist-devastated areas in that province;

Proposal that official ranks and salaries be standardized and that the personnel system be more rigidly enforced;

Two proposals calling for the early consummation of the local self-government program;

Proposal that water cnoservancy projects be launched in Honan in order to provide work relief for the refugees. The matter was referred to the National Economic Council;

Eight resolutions, relating to educational affairs, were also adopted, namely:

Proposal of Gen. Ho Chien that Chinese Classics be included in the school curricula. It was referred to the Standing Committee of the Central Executive Committee.

Proposal that a Central Editing and Translation Bureau be established. It was referred to the C.E.C. Standing Committee for reference.

Proposal that curricula be worked out for schools on native herb medicine. It was referred to the Central Political Council with instructions that definite measures be worked out.

Proposal that the resolution of the Fifth Kuomintang Congress, calling for an equal treatment of modern and native herb doctors, be enforced. It was referred to the Central Political Council for reference.

Proposal that the Central authorities work out definite measures for the promotion of education among Chinese Mohammedans.

Proposal that official commendation be given to private individuals who donate funds to educational institutions.

Proposal that the Central authorities appropriate money for cultural reconstruction purposes.

The meeting also adopted, with minor modifications, a proposal of the Central Organization Department, calling for the extension of Party activities along provincial borders.

MANY RESOLUTIONS ADOPTED AT FOURTH MEETING

The remaining proposals on the agenda were disposed of at the fourth general meeting of the Third Plenary Session in the afternoon of Feb. 19 when it adopted 23 resolutions on Party, political, economic, education and military affairs. Attended by 173 of C.E.C. and C.S.C. members the meeting was presided over by Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission. Three proposals relating to Party affairs were adopted by the Session. A proposal advanced by the Central Organiztion Department for the extension of the work of the Party abroad was approved. With regard to the proposal for the readjustment of Party work in the United States, the Session decided to refer the matter to the Standing Committee of the C.E.C. for further consideration. Among the proposals on political affairs which were passed by the Session were:

Proposal calling for the immediate enforcement of new Salt Law which was referred to the organs in charge through the National Government for enforcement.

Proposal suggesting inter-transfer of officials in the Central Government and local governments in order to cultivate closer understanding of actual conditions was referred to the Central Political Council for consideration.

Proposal that Central Government decided on fixed policy with regard to the formation of closer political, economic, educational and cultural relations with the Mohammedan nations was referred to the Central Political Council for consideration.

Proposal that rural reconstruction work be pushed was referred to the C.P.C. for consideration. Proposal that closer relations be promoted between inhabitants of Sinkiang and interior was referred to the C.P.C. for consideration.

Proposal that definite steps be taken to preserve internal peace and unity was referred to the C.P.C. for consideration;

Proposal that quota system be adopted in higher civil service examinations so that each are may be allotted to certain number of candidates and that higher civil service examinations be held in different places was approved in principle by the Session and referred to the C.P.C. with the instruction that the latter modify the examinational law.

Of proposals for the economic reforms the Session decided that:

Proposal for the improvement of the quality of table salt by the government in order to safeguard the health of the people be referred to the Executive Yuan.

Proposal for the dredging of Yangtze river and harbors and lakes along the valley and prohibition of the various Yangtze provinces constructing embankments and dykes at will in order not to narrow the river bed was referred to the organs in charge for execution.

Proposals that the famine relief reserve fund system be actively enforced was referred to the Executive Yuan.

Of the proposals for educational reforms the Session resolved that:

Two proposals calling for the promotion of education among Mohammedans be referred to the C.P.C. for consideration.

Proposal for the creation of a scholarship fund in memory of the late Dr. Sun Yat-sen be adopted and that the sum be fixed at $3,000,000 to be allotted in full in three years and that detailed plans for the execution of the project be mapped out by the Central Cultural Enterprises Planning Committee, subject to approval of the Standing Committee of the C.E.C.

Proposal for the training of students from border provinces by the government educational institutions be referred to the Standing Committee of the C.E.C.

GEN. CHIANG RESIGNS FOR THIRD TIME, RESIGNATION REJECTED

Still holding himself responsible for the Sian revolt of last December, Gen. Chiang Kai-shek submitted again his resignation to the Central Executive Committee of the Kuomintang at its fourth general meeting on Feb. 19, asking to be relieved from his substantive and concurrent posts, including the Vice-Chairmanship of the Standing Committee of the Central Executive Committee, the Vice-chairmanship of the Central Political Council, the presidency of the Executive Yuan, and the chairmanship of the Military Affairs Commission. Gen. Chiang's resignation, however, was instantly rejected as it was submitted. The Central Executive Committee at the same time unanimously passed a resolution urging the

Generalissimo to remain at the helm of the Chinese ship of state and to steer her course out of the present crisis. This was the third time Gen. Chiang handed in his resignation because of the Sian coup. Before submitting his resignation, Gen. Chiang made a verbal report on the Sian mutiny. He also presented to the meeting copies of a pamphlet wherein he recorded by memory the day-to-day happenings in Sian from the day of his captivity on Dec. 12 to the day of his release on Dec. 25.

GENERAL CHIANG KAI-SHEK'S REPORT ON SIAN COUP

The following is a full translation of the written report by General Chiang Kai-shek on the Dec. 12 Sian (Shensi) coup.

"In December last year in view of the fact that the bandit-suppression campaign in the North-west could be successfully concluded within two weeks or a month in accordance with our definite programme, I specially proceeded to Shensi from Loyang to direct the operations personally. Unexpectedly, a revolt was started by Chang Hsueh-liang and his associates, resulting in the Dec. 12 coup. The revolt was simultaneously started at Lintung and Sian. Under the pretext of an armed remonstrance, they, in fact, kidnapped me and held me as hostage. The various high Central military and civil officials in Shensi were simultaneously detained. Discipline was flagrantly violated, and the country and the world were shocked. Due to my over-confidence, I had adopted no precautionary measures. I brought with me only a small detachment of bodyguards, who were all killed while resisting the rebels. At that time as the revolt broke out suddenly, communications with the outside world were disrupted. I could not but resolve to sacrifice my life for the sake of righteousness so as to fulfill my Revolutionary mission. I was also firmly convinced that the Central autholrities would be able to adopt appropriate measures in accordance with the spirit of the late Party Leader (Dr. Sun Yat-sen) for the suppression of the revolt and consolidation of the National foundations. Later, due to the appropriate measures adopted by the Central authorities and the unanimous support of the troops and people throughout the country for the cause of righteousness, the leaders of the revolt became penitent and the revolt ceased. I returned to the Capital on December 26. Chang Hsueh-liang surrendered himself to the Government and was willing to receive the punishment he deserved. With regard to the events during the coup, I should have submitted a detailed account from the beginning to the end. However, since Dec. 12, although the Central authorities in their leniency did not blame me for the revolt, I had already decided, owing to my dereliction of official duty, to await apropriate punishment; and therefore did not dare to submit any report in my official capacity.

"I have, however, prepared a pamphlet recording my experiences day by day. As a reply to the numerous inquiries from many comrades, I hereby respectfully submit the pamphlet to them for perusal. At the time of the Shensi revolt, the insurgent leaders issued a circular telegram setting forth their so-called political proposals, which attracted much attention from the public. On the day of the outbreak of the revolt, I severely rebuked Chang Hsueh-liang, hence he was unable to express himself fully. It was not until the third day of the revolt that I was informed that his so-called eight proposals were as follows:

"(1). Recoganization of the Nanking Government and admission of all parties and cliques to shoulder the responsibility of national salvation.

"(2). Cessation of civil warfare.

"(3). Immediate release of the leaders of patriotic bodies arrested in Shanghai.

"(4). Release of all political offenders through the country.

"(5). Safeguarding the freedom of the people in holding meetings and organizing associations.

"(6). Emancipation of the patriotic movement of the masses.

"(7). Faithful observance of the Last Will of Dr. Sun Yat-sen.

"(8). Immediate convocation of a National Salvation conference.

"These being the common proposals of Chang Hsueh-liang and his associates, he insistently requested me to sanction their enforcement. From beginning to end, I ordered him to immediately repent and escort me back to the Capital. Apart from that, I refused to listen to him. Besides pointing out the rebellious nature of his activities and the meaningless character of his proposals, I informed him that the Party and the State are organized according to a definite system and that if he had any proposals to make, he should submit them to the Central authorities in accordance with law. Chang then requested me to submit the above-mentioned proposals to the Central authorities after my return to the Capital. I immediately said to him: 'While your proposals may be submitted to the Central authorities, I must declare that I am opposed to them.' This conversation is also recorded in the pamphlet. As this is a matter of greater importance, I cannot but specially refer to it here for the attention of my comrades attending the Plenary Session. During the Plenary Session, appropriate measures regarding the rehabilitation of the North-west will certainly be decided upon, and the national situation also exhaustively examined and discussed. All resolutions will naturally be adopted by majority vote. I therefore specially relate the circumstances under which Chang Hsueh-liang submitted the eight proposals to me for examination by the Session. Besides the pamphlet, entitled 'Half a month in Sian,' which I compiled myself, I hereby specially submit this report to the Third Plenary Session of the 5th C.E.C."

CHANG'S EIGHT PROPOSALS IGNORED BY PLENARY SESSION

After considering General Chiang's report, the Plenary Session adopted the following resolution:

"After accepting Comrade Chiang Chung-cheng's (Chiang Kai-shek's) report on the Sian revolt and the pamphlet entitled 'Half a month in Sian' which he presonally compiled, the Plenary Session considers that as the revolt broke out suddenly, it was fortunate that Comrade Chiang, in face of great danger, preserved his inviolable dignity and undaunted spirit and caused the rebels to repent, thereby settling a dangerous situation and solving a major crisis. The Plenary Session propoundly admired his loyalty to the Party and the State amidst dangers. The Plenary Session is also moved by admiration and regret for the various civil and military officials who were killed in resisting the insurgents. Their sacrifice for the sake of benevolence and righteousness is worth of the highest commendation and at the same time they are deeply mourned. As to the eight proposals submitted by the insurgent leaders, when the rebels requested Comrade Chiang to submit their proposals to the Central authorities, Comrade Chiang immediately and resolutely in a dignified manner declared himself in opposition to the proposals. The Plenary Session is especially gratified at Comrade Chiang's attitude in this connection. These proposals, regardless of their contents, having been submitted through rebellious action and by means of pressure, are apparently a pretext for the revolt and cannot be tolerated by the laws of the State and by military discipline. The Plenary Session should not take them into consideration."

Central News reports that an authorised English translation of a pamphlet wherein Generalissimo Chiang Kai-shek recorded daily happenings in Sian during his half-month captivity will be made available shortly. Both the Chinese and English versions of the "diary," it is learned, will be published at the same time.

DATE FOR PEOPLE'S CONGRESS FIXED FOR NOV. 12 AT FIFTH MEETING

That the standing committee of the Central Executive Committee should supervise the office for the election of delegates to the National People's Congress be convoked on Nov. 12 to enact the Constitution and to decide on a date for the enforcement of the constitution, was passed by the Third Plenary Session at its fifth general meetikng Feb. 20. Upon the recommendation of the Presidium, the Session empowered the standing committee of the C.E.C. to revise the Organic Law of the National People's Congress and regulations for the election of delegates when necessary. It further decided that all proposals relating to the National People's Congress be referred to the standing committee of the C.E.C. for reference.

In its proposal submitted to the general session, the Presidium pointed out that two bills in connection with the National People's Assembly were referred to the subcommittee on political affairs for examination. It was the opinion of said sub-committee that two proposals be referred to the standing committee of the C.E.C. for reference. But in view of the importance of the above two proposals, the Presidium suggested that the session fix a few principles to guide the standing committee of the C.E.C. in the execution of the resolution.

C.E.C. LAYS DOWN CONDITIONS FOR RECONCILIATION WITH REDS

Complete recantation of communistic doctrines and abolition of the "Red" Army and "Soviet" Government are first conditions which are held absolutely necessary for a reconciliation with the communist bandits, according to an important resolution passed by the sixth general meeting of the Third Plenary Session held in the afternoon of Feb. 21. Until and unless the communist bandits sincerely repent their past mistakes, obey the Three People's Principles, abide by the nation's laws and strictly adhere to military discipline, there could be no question of the Central Government again taking them into its fold, the resolution declared. The resolution, which was moved by the Presidium, listed four major conditions under which the Central authorities would be prepared to effect a reconciliation with the Red bandits. These four conditions are:

First, Abolition of the Red Army and its incorporation into the Nation's Armed Forces under unified command.

Second, Unification of Government power in the hands of the Central Government, and dissolution of the so-called "Chinese Soviet Republic" and other organizations detrimental to governmental unity;

Third, Absolute cessation of communistic propaganda which is diametrically opposed to the Three People's Principles; and

Fourth, stoppage of class struggle which splits society into antagonistic classes and invites mutual destruction.

The resolution, which was received by the plenum with acclaim, first gives a brief account of the communists in Chinese politics. When communists were individually admitted by the late Dr. Sun Yat-sen into the Kuomintang in 1924, the resolution states, promise was given that they would work for China's national revolution. Not only they did not keep their promise, but they actually worked for the splitting of the Kuomintang. At the beginning, the Kuomintang, always lenient and tolerant, had hoped that they would soon wake up to their mistakes and make amends to their misdoings. The hopes of the Kuomintang, however, were

doomed to disappointment. After the Nationalist Forces had taken Hengchow and Changsha in Hunan in 1921, and later extended their occupation to the Wuhan Area, the communistic elements then tried to sever the ties between the Kuomintang and the masses. Alongside with these subversive activities, the communists propagated Red theories and worked for the destruction of the revolutionary and national reconstruction movement led by the Kuomintang. They also tried their best to hinder the eastward advance of the Nationalist Forces against Shanghai and Nanking as well as the northward march on Chengchow and Loyang. Besides, they were also responsible for the reign of terror in Hunan and Hupeh, and caused a split between Nanking and Hankow. Because of the communists' anti-revolutionary activities, the Northern Expedition almost came to a standstill. Later, the communists openly organized the Chinese Red Army and demoralized the basic structure of the Kuomintang. They incited class warfare in the hope to seize governing power. In order to consolidate the foundation of the Party, to carry the Northern Expedition to a successful conclusion and to save the people from suffering, the Kuomintang came upon a momentuos decision to purge its rank and file of communistic elements. After that for more than ten years the communists continued their propgaanda among the people and created disturbances at various provinces, including Kiangsi, Kwangtung, Fukien, Chekiang, Hunan, and Hupeh. Having the protection of the people as its main responsibility the Central Government found it necessary to seek the annihilation of the communist bandits by armed forces. Thanks to the heroism of the armed comrades, the Government succeeded in uprooting them from their strongholds, and in restoring peace and order in regions where for many years there was a reign of terror and destruction. Since their general collapse in Kiangsi in 1935, the communist bandits have been fleeing to Szechwan, and the Northwest. They not only terrorized the people, but also wantonly killed them by the thousands. Houses were burned down ruthlessly and the economic institutions completely destroyed in cities and villages.

Crowning Crime of Reds

These, the resolution points out, are facts which need no enumeration. The crowning crime of the communist bandits, however, was what they had done since September 1931 when China was plunged into a grave national crisis. Taking advantage of the Government's preoccupation with the external menace, the communists attacked Kangchow in Kiangsi during the Shanghai War. Later during hostitilies along the Great Wall in 1933 they attacked Fuchow and menaced Nanchang. In both cases they hindered the free movement of Government troops for national defence. Now having been driven to the Northwestern corner of the country where livelihood is difficult and where foodstuffs are scarce, the communist bandits began to spread reports of their alleged willingness to surrender. The resolution then says: with universal brotherhood at heart, the Kuomintang is not disposed to deprive of any people of a chance to reform and start life anew. However, in view of their past deceitfulness and the pitfalls which the Kuomintang had previously fallen into, it must not repeat its mistakes again. The resolution then enumerated the four major conditions absolutely necessary before the Party will consider a reconciliation with the Reds.

The resolution in conclusion declared that no nation on earth can tolerate the existence within its territory any organization which is detrimental to the interests of the State and the whole people, and which depends on external forces for its activities. For preservation of the last glory of the Republic and consummation of the Three People's Principles, the Red scourge must be annihilated root and branch.

Several important changes in the personnel of the Central Party Headquarters were announced at the sixth general meeting held Feb. 21. Chen Kung-po, former Minister of Industry, was appointed Head of the People's Training Department, replacing Chou Fu-hai, who has resigned. Shao Li-tse, former Chairman of Shensi, was made Head of the Central Publicity Department, succeeding Liu Lu-ying.

CHINA'S DOMESTIC AND FOREIGN POLICIES ENUNCIATED IN SESSION MANIFESTO

China's foreign and domestic policies were enunciated in a 3800-word manifesto issued Feb. 22 by the Third Plenary Session of the Fifth Central Executive Committee of the Kuomintang.

The following is a free translation of the manifesto:

"At its Second Plenary Session on July 10 last, the Central Executive Committee, in view of the increasing seriousness of internal unrest and external aggression then confronting our country, resolved jointly to preserve China's territorial integrity on the one hand and to effect national unification through pacific methods on the other.

"Since the adjournment of the Second Plenary Session seven months ago the Central authorities have been working unceasingly toward this goal. At this moment we gather together again to review the past achievements, examine the present situation and to decide on policies for the future. After careful deliberations over the nation's major domestic and foreign issues we have cautiously reached several decisions. In the following we wish to inform our comrades and people of some of the major points.

Dr. Sun Pointed Way

"In his doctrines of Nationalism our Tsung-li (Dr. Sun Yat-sen) clearly impressed upon us the causes of national difficulties. He has also pointed the way to self-salvation and self-strengthening. Since Sept. 18, 1931, amidst the most trying experiences we have been adhering to Tsung-li's bequeathed teachings in an attempt to find a way out for our nation.

"In the manifasto of the Fifth National Congress of the Kuomintang, November 1936, it was stated that in the face of such gravity of national crisis we must handle the situation by following Tsung-li's teachings that a determined man is the master of his fate and that self-reliance means existence and dependence on others means extinction. We must exercise great patience and determination to safeguard the nation's existence and its road to recovery. We shall not forsake peace until there is no hope for peace. If our country is driven to the last extremity, thus making sacrifice inevitable, we shall be determined to make sacrifice. Meanwhile we shall exert our great efforts for peace with the hope that our sincerity and determination will help to usher in a turn for the better in the situation and enable us to achieve our goal of self-reliance and self-preservation. Thus we may be able to co-operate with other members of the family of nations in working for universal brotherhood.'

Practice Forbearanse

"This idea was expounded by the Second Plenary Session which, on its declaration, laid down the following explanation: 'Since our nation is in such a critical situation we shall paractice the greatest forbearance in domestic issues in order to achieve internal solidarity. In our external relations we shall not tolerate any aggression against our territorial sovereignty. Nor shall we sign any agreement detrimental to China's territorial sovereignty, Should any act of aggression against Chinese territory arise, should all political means fail to frustrate such and should the fundamental existence of the nation be endangered, we shall be ready to make our last sacrifice without the least hesitation.'

"Since the Second Plenary Session last July the Government has been following this policy in conducting diplomatic negotiations were on the verge of breakdown on several occasions, the Government has been standing firm on this policy.

"When bandits and irregular troops invaded Suiyuan the Government rallied the strength of the whole nation to defend that province and repulse the invaders. Although the leaders of the Sian crisis championed certain slogans as a pretext to deceive the people, the latter have turned a deaf ear to their propaganda.

People Recognize Crisis

"This was because the people have realized, after such painful experience during the past few years, what the principles of our Party stand for and have seen the necessity of sticking together in order to save the nation.

"The present Session sees no need of revising our foreign policy. Not only that the Government should continue its best efforts for its execution; for our consistent aim is to strive for self-preservation internally and co-existence externally. Even when we are driven to armed resistance in the event that our rights are violated beyond our tolerance, we shall only be fighting in self-defense and not because of anti-foreignism.

"Consequently there is no conflict between our determination to make the last sacrifice and our desire for peace. If there is still hope for peace we shall still be willing to continue our efforts in working for preliminary readjustment of Sino-Japanese relations on the basis of equality, reciprocity and mutual respect of each other's territorial integrity so as to deprive bandits and puppets of their present reliance on external force and to respect the administrative and territorial integrity of China.

"Thus even if not all pending issues are solved it will at least bring into use the spirit of settling international disputes by peaceful means. This is one matter, the realization of which we must seek within the shortest possible period of time.

Work for World Peace

"As to China's relations with other nations we shall naturally proceed along the path of world peace and work for the enhancement of international friendship. Regarding matters of political accord and economic co-operation we shall work under the principle of reciprocity. This has been our attitude during recent years. It is also an essential principle of nationalism. We shall strictly adhere to it.

"Domestically, the achievement of internal unity through peaceful means has been the guiding principle of the whole nation throughout recent years. It is only through unity that China can become a modern nation, equal to the task of saving herself. Only through peace and cessation of civil war. The immediate object of the former is to concentrate the entire nation's strength in tiding over the present national crisis. Its ultimate aim is to enable the nation to set out on the road of the principle of democracy.

"In view of the totality of the state, it is clear that the governing power is an indivisible enity, especially in military affairs, diplomacy, finance, and communications. Matters of national defense have to be controlled and directed by the Central Government because the existence of independent military units will only result in an inferior organ which will surely be eliminated from the international community.

Share Joint Sorrows

"Aagin, in view of the wholeness of the nation, we know that as citizens of China we share each other's joys and sorrows. Even when there are differences between individuals and organi-

zations because of the differences in their occupations, the interests of the nation as a whole must remain over and above those of individuals and organizations.

"Especially at the present moment when the country is faced with serious foreign menace and when the nation's fate is on the balance, we must not be misled by fallacious talks of class struggle which will only destroy our unity.

"These two points are in fact the essence of our stand for unity through peace. The cessation of civil war means that any difference of opinion which may arise from within the Kuomintang Party must be settled by discussion and not by force. It does not mean that any attempt to split the State can be perpetrated under the slogan: cessation of civil war.

"Since last July, the work for national unification has been proceeding smoothly and traces of local semi-independence are gradually becoming a thing of the past. Henceforth we should shape our policy in accordance with the principle of unity through peace to meet the needs of national defense and o lay the foundation for lasting domestic tranquility and order.

"As to the communistic elements, although they have recently appropriated the slogan 'joint resistance against foreign aggression,' past experience shows us that since 1924 when they were admitted to the Kuomintang to participate in the revolution, they have been working subversively against its cause rather than for it.

Reds Held Terrorists

"Beginning from 1927, they have been employing terrioristic methods to endanger the safety of the Republic, thus undermining the strength of the nation, which otherwise would have been employed in resisting alien invasion. They have also caused untold losses of lives and property of the people.

"Because of their innumerable crimes, it is impossible to take their word at its face value. The Kuomintang, ever with the welfare of the country and people at heart, shall see to it that sacrifices made by armed comrades and others during the bandit suppression campaign in the past few years shall have not been made in vain.

"No matter what formula we may adopt, our cardinal policy shall be to eradicate the communistic scourage by our own efforts and to lay the foundation for antional rejuvenation.

"The organization and training of the masses, so that they can take part in the stupendous task of national reconstruction, is a duty that lies with the Kuomintang. Since the outbreak of the existing crisis, the Kuomintang has not shirked its responsibilities. To enlist the support of the nation, it has championed the slogan of 'meet the national crisis with solidarity.'

"At various important gatherings, the Kuomintang had handed down numerous decisions concerning the convocation of the National People's Congress. The Fifth National Congress of the Kuomintang went a step further in deciding to hold the Congress in 1936. It also ordered the proclamation of a draft Constitution. In pursuance of this resolution, the First Plenary Session fixed November 12th, 1936, as the day for this Congress. Special supervisory offices were established and the necessary election regulations adopted, with the stipulation that everything must be ready by October, 1936. At the expiration of the deadline, however, the Central authorities were compelled to postpone the Congress on account of the failure of some localities to complete the election of delegates. It was then decided that the Congress would be reconvenced as soon as the delegates are legally elected.

"Because of the importance of the Congress, the present Session decided it should be held on November 12th, 1937. Future efforts of the Central authorities will of course be directed toward supervising the responsible Government organ in proceeding with the election with the prescribed laws so that the National People's Assembly can be held according to schedule and the Constitution can be adopted. Then both the Government and the people will have the fundamental law to abide by.

"The adoption of the Constitution will not only give a concrete expression of unity and solidarity of the people, but also law the foundation for the consummation of the principle of people's rights.

"The completion of the genuine unification of the nation must await the realization of economic unity. At this juncture when the nation is devoting its whole energy to the task of national salvation, the enhancement of the nation's vitality necessarily depends on the strengthening of the people's economic power.

"Therefore economic reconstruction is important and the pressing task of unfolding its program must be based on Dr. Sun Yat-sen's Principle of People's Livelihood. Marxist theories came from social pathologists and not from social physiologists.

"In this connection it must be emphasized that social progress is made possible only by the harmony of the majority of economic interests. Certainly it does not come from a conflict between them. Class struggle is a disease which may occur during the process of social progress. However, it is a preventible disease and we need not and should not sit back waiting for its occurrence. What merits special reiteration is that in view of her present position, China must seek to solve her economic problems realistically and not be moved by mythical ideals and empty theories. One noticeable fact about China today is the prevalence of poverty. The so-called disparity between the rich and the poor is really nonexistent in China, the only difference being between those who are extremely poor and those who are a little better off. With a view to preventing future truobles, China's economic problems should be sought in equalization of land and restriction of private capital.

Oppose Class Struggle

"All these are definite policies for China to follow in her economic reconstruction. China has become poor under the double impact of foreign encroachments and backwardness in her people's productivity. Now if class struggle should be implanted in China, externally speaking it would sap the nation's vitality to the point of national destruction, while domestically speaking it would bring about chaos among the various productive factors, thus hindering further progress in production and reconstruction. As a final outcome it would reduce those of us who are not extremely poor to dire poverty and those already extremely poor to death.

"Clear proofs of the harmfulness of class struggle have been afforded by the wanton destruction of properties and massacre of people in regions held by communistic elements.

"Thus when her fate is in the balance, China finds it necessary not only to strengthen her national defense system, but also to launch punitive campaigns against bandits. During these campaigns, aside from political devices and military movements, the government has also found it imperative to bend its efforts to improve the lot of the peasants.

"Toward this end, numerous exorbitant and miscellaneous taxes have been abolished to mitigate the peasant's hardships, many agricultural institutes have been established to help the peasants improve their farming technique. Furthermore special organs have been set up to facilitate the transportation and distribution of harm products, farmers banks and cooperative societies have been organized to provide financial facilities to farmers. Meanwhile, various conservancy and afforestation projects have been launched to forestall natural calamities.

Augment Productive Power

All of these measures have, as their common objective, the augmentation of the farmers' productive power which is a prerequestie to the realization of the principle that those who till the lands should also own them. Otherwise, under the present conditions of production the farmers will have difficulties in making both ends meet. And even if they given lands these would soon be mortgaged and they will go back to their original status as tenants.

"Much of the wanton destruction wrought by communist elements during the last few years was done in farming villages. Not only has agricultural development been retarded, but similar disaster has visited native handicrafts.

"Even light industries in Shanghai, which represent practically the only fruits of the decades of efforts on the part of the native industrialists, have not been immune from the influence of the communists, who by means of subversive propaganda and secret organization have intensified class struggle among the workers.

"Our Tsung-li had well said that the surplus value of any industrial enterprise was not created by the labor of workmen alone. Rather is it the fruit to which all useful and capable members of society contribute, either directly or indirectly. These useful and capable persons constitute a majority of the people.

"Our Tsung-li's view had been made unmistakably clear. If the spirit of class struggle should be injected into the workers it would necessarily antagonize all others except the workmen themselves. Then the work of these useful and capable members of society will be nullified.

"For instance, the native capitalists. They have been struggling during the last decades at great odds against foreign capitalists who are superior both in financial resources and technical proficiency. They have to resort to the most economical methods in order to remain solvent. Often owners are forced to spend much time in trying to obtain loans with which to keep their factories going. Once they fail they have to declare themselves bankrupt and their plants must close.

Many Similar Cases

"There have been many cases like this. The fighting spirit of the Chinese capitalists and their handships have aroused the sympathy of many who are familiar with their difficulties. How could one be so heartless as to seek their downfall? For this would be tantamount to retarding the development of all new and infant industries and at the same time it would also spell a similar fate to the workers.

"For the sake of the future economic reconstruction in China all native industries must be fully protected and even when governmental control is imperative such control will only be instituted for their existence and their development.

"As to other industries which operate on a large scale or those, which because of their very nature, can be best run by the Government or others which will be beyond the capacities, of private capital to undertake, the Government should take necessary steps to develop state capital so that it can adeuqately fulfill its responsibilities to the nation.

"Currency reform and financial stability as effected since the Second Plenary Session have already proved their benefit to the

economic reconstruction movement. The present Session should seek its further development with the greatest determination and the best of efforts possible.

"All measures that will be decided upon must meet the requirements of national defense and livelihood of the people. In particular, these measures must adhere to the principles enunciated in the Principle of Livelihood of the People' The objective is to achieve mutuality in interests and well-balanced development so that the realm of "of the people for the people and by the people" can be realized.

"Nosensical theory of class struggle shall never be tolerated because it will lead to social chaos. At the same time no great disparity between the rich and poor shall ever be allowed to happen, or it will result in future complications and difficulties. On this major principle depends completion of our present task of saving the nation. It is also the starting point for the realization of the principle of the Livelihood of the People.

"The above-mentioned points represent the decisions of the Plenary Session. Without these policies, the current national crisis cannot be overcome. Similarly, without them, it will be impossible to carry out our Tsung-li's Three People's Principles.

"Regarding such other major programs for consolidation of the nation's foundation and improvement of the livelihood of the people as having been handed down by the Fifth National Congress of the Kuomintang and the First and Second Plenary Session, they will be continued.

"It is hoped that all comrades realizing the nation's difficulties, heavy responsibilities and the missions of our Party will put their heart and soul together in their labor so that our departed leader may continue to rest in peace."

MME. SUN, FENG YU-HSIANG APPEAL FOR NATIONAL UNITY

Shanghai Evening Post reported Feb. 17 that Soong Ching-liang (Mme. Sun Yat-sen), Feng Yu-hsiang, Sun Fo, Ho Hsiang-ning (Mme. Liao Chung-kai), Ching Hen-yi, Liu Lu-yin, Chang Jen-chieh, Shih Chin-ting, Lu Chun-ling, Li Lieh-chun, Liang Han-chao, Shih Ying, Chang Che-p'en, Chu Chi-tsing had submitted a joint proposal to the Third Plenary Session for the Re-establishment of the Three Policies of the Late Party Leader. The proposal reads:

"The reorganization of the Kuomintang Party in 1924 by the late Party leader, accompanied by the establishment of the Three Policies: alliance with the Soviet Union, alliance with the Communists and help for the workers and peasants, had a great deal of effect in rejuvenating the revolutionary front. Accordingly the revloution developed by leaps and bounds. Unfortunately after the internal strife of 1927, the united front collapsed and the value of the three policies was ruined completely. The failure of the revolution was followed by foreign aggression which have been particularly intensified in the past five years, resulting in the loss of nearly six provinces of our territory and the immediate danger of complete enslavement for China. In the past six months we have received a number of letters and circular telegrams from the Chinese Communist Party to the C.E.C. of our Party asking for Kuomintang-Communist cooperation once more to jointly resist Japan. It proves that solidarity for struggle against the aggressor has become their unanimous demand of the people throughout the country which was further attested by the late Sian Event. Since the Chinese Communist Party is also willing to cease their activities which are detrimental to the political power of our Party and to support unity to resist Japan, it is all the more expedient for our Party to take the opportunity to reestablish the Taree Policies of the late Party Leader so as to save the Party and the country from enslavement and to accomplish our revolutionary work."

KWANGSI SUBMITS TWO IMPORTANT RESOLUTIONS TO SESSION

Two important proposals have been submitted by Gen. Li Tsung-jen and two other members of the C.E.C. in Kwangsi to the C.E.C. Third Plenary Session. The first calls for the military training of all Chinese citizens so as to make it possible to carry out an armed resistance at any moment. It was passed and referred to the Standing Committee of the C.E.C. with instructions to formulate a concrete plan for the creation of a militia along lines already successfully applied in Kwangsi and other provinces. The second resolution calls for freedom of speech and press, protection of the patriotic movement, emanicipation of the masses, and strengthening of the national salvation movement. This resolution was also passed and referred to the Standing Committee of the C.E.C. for action.

According to *Shanghai Mainichi* Feb. 19, Chang Chi, Wang Fah-chin, Wu Tzu-hui, members of the C.E.C., Chen Kuo-fu, and others proposed to the Third Plenary Session that an authoritative organ. in charge of the affairs of the Manchurians should be established This resolution attests to the desire of the Nanking Government for creating disturbances in "Manchukuo" after reaping considerable success in the resistance campaign in Suiyuan.

With his civic rights restored by the National Government, it is learnt that General Chang Hsueh-liang will return to the Capital from Fenghua with his wife shortly to see General Chiang Kai-shek, President of the Military Affairs Commission.

GENERAL CHIANG ON FREEDOM OF SPEECH AND LIBERATION OF POLITICAL OFFENDERS

The Central Government's future policy vis-a-vis freedom of speech, concentration of the nation's talents and liberation of political offenders constituted the subject of an interview granted by General Chiang Kai-shek to a representative of the *Central News Agency* Feb. 21.

Freedom of Speech Not Interfered With

Referring to the question of free speech the Generalissimo said that was included in many proposals submitted to the Third Plenary Session of C.E.C. As this issue is engaging the attention of press circles throughout the country the Central Government is paying due consideration to this matter. But, the Generalissimo pointed out, the Central Government has not interferred with free speech in the past. With the exception of the stiuplations in the Criminal Code and the Press Law the Central Government only bans the publication of printed matter which may be classified under the following categories:

First, editorial opinions and news which may be construed as propagating the Red doctrine endangering the safety of the Republic and disturbing local peace and order.

Second, news which touches upon military and diplomatic secrets; and

Third, unfounded rumours.

While the Central Government is entertaining the hope that the whole nation will respect legitimate speech, the Generalissimo continued, the vastness of the country has made it sometimes impossible for the local authorities to take unified steps in enforcing the rule. Often times, added the Generalissimo, news which are sanctioned and released by the Central Government are censored by the local authorities. This aroused unfavorable reaction among press circles. "It should be remembered that the Central Government upholds free speech and does not intend to impose undue restrictions upon the Fourth Estate. It will henceforth, in pursuance of this policy, improve measures for the supervision of newspapers and periodicals. It will furthermore assist in the development of the native press, so that it may, within the framework of non-betrayal of the nation's interest, contribute its share." As the authorities have voiced a similar desire, the Generalissimo hopes that they will no longer censor news which are approved by the Central Government, so that news of the nation may be published in all localities and unified public opinion may thus be fostered.

Enlistment of Talents Desired

With regard to the question of rallying the nation's talents under the Central Government, the Generalissimo revealed that this subject has engaged the attention of various circles and that it was brought up during the Session. As a matter of fact, he said, this is precisely what the Central Government has been doing in recent years. The Central Government, he asserted, not only desires to concentrate the nation's talents; it is also anxious to invite leaders of different fields to take part in the task of national salvation. General Chiang nevertheless made it clear that this cannot be interpreted in the light of the so-called "people's front," as advocated by the Communists. For if no discrimination is made, opportunists and dissensionists will gather under the banner to work for their own political ascendancy. What the Central Government wants, the Generalissimo asserted, are men who are experts in fields of cultural and ecnoomic reconstruction, and not intriguing persons and professional politicians. In lending encouragement to the nation's talents the Central Government does not merely offer them official positions. It wants local talents to apply what they learn in various fields of human endeavor in society.

Pardoning of Political Prisoners

Coming to the question of granting pardons to political offenders, the Generalissimo said that the Central Government, in the face of the present critical situation and pressing need for national reconstruction, had adopted a policy of magnanimity in he hope of achieving internal peace and stability.

He pointed out that a precedent has been set whereby political offenders were set free by the Central Government. As the term "political offenders" now means communist and reactionaries, according to the Generalissimo, new regulations have been enforced the observance of which may enable them to start life anew. The Generalissimo emphasized that pardons can only be granted to those who are sincere in their repentance. As indiscrimate and wholesale pardon of political offenders will not be enforced by the Central Government inasmuch as it is contradictory to laws of state and prejudicial to social stability. Concluding, the Generalissimo said that hereafter a frank and sincere attitude must be taken by the Chinese people so that the national strength may be concentrated on the task of national salvation.

MADAME SUN URGES "UNITED FRONT" AGAINST JAPANESE AGGRESSION

"China has been driven to its last extremety by the Japanese aggressions. The final sacrifice is inevitable, Japanese provocations have raised the anti-Japanese movement to a high point, and it is gaining great momentum. All Japanese efforts to take over North China have signally failed. Japanese bandits have met with

(*Continued on page* 465)

Finance Minister Yuki Admits He Cannot Foresee Future of Japan's Finances

Repeated admissions that he could not foresee the future of Japan's finances, were made from the Diet floor by Toyotaro Yuki, Minister of Finance, Feb. 18 when questioned by Masanori Katsu of the Minseito.

Reuter stated Feb. 19 that the political parties in the Diet are expected to accept, as the best possible in the circumstances, the revised national budget submitted by the Hayashi Cabinet for the financial year 1937-38, which dates from April 1. One of the features of the revised budget is a small reduction of the deficit to be covered by issuing bonds. The estimates prepared by Eiichi Baba, Finance Minister in the Hirota Cabinet, which fell earlier in the year, had a deficit of 802,400,000 yen in the general accounts, and this has been lowered by his successor, Toyotaro Yuki, to 725,400,000 yen. The revised budget totals Yen 2,769,400,000—a reduction of Yen 269,100,000 compared with Mr. Baba's estimates.

Proletarians Want to Study Army Expenses

A resolution calling for the appointment of a commission to investigate military and naval estimates has been submitted to the Lower Chamber by the Social Masses Party, Japan's sole legal Leftist organization. The party, which is strongly opposed to the record defense appropriations in the 1937-38 budget, will emphasize that the current session is too short to make a full investigation of the "technically complicated" Army and Navy estimates.

General Sugiyama Uses Soviet Menace as Bogey to Support Army Demands

Gen. Sugiyama, Minister of War, gave a graphic description of Soviet warlike preparations in the Far East to substantiate the Army's demand for large Budget appropriations, in the course of a secret meeting of the Diet Feb. 19.

Five Men Attempt "Harakiri" in Tokyo as Protest Against Conditions

Five members of the Japanese "Let Us Die" League Feb. 17 attempted to commit "harakiri" simultaneously in various parts of Tokyo as a demonstration of their disgust with "rotten" religious and political circles. Twenty-three other members of the League, including several girls, failed to disembowel themselves after entering into a "death pact." The men's self-inflicted wounds were not serious and they will recover. The places chosen for the singular demonstration inculuded the streets before the Diet, the Metropolitan Police Board, and the official residence of the Foreign Minister and the plaza before the Imperial Palace.

Military Secrets Act Re-Introduced by Japanese Government

Alleging that international espionage is rampant in Japan, the Tokyo Government Feb. 22 introduced a bill amending the present Military Secrets Act. A similar measure submitted to the Diet by the former Hirota Cabinet failed to pass as it encountered bitter opposition on the grounds that it would further restrict the already curtailed guarantees of a free press and of freedom of speech provided in the Consitution.

Japanese Diet Member Demands That Army Share Funds with Farmers

A demand that the Army share its record appropriations with Japan's impoverished peasantry was made in the Diet Tokyo Feb. 17 by a representative of the proletarian Social Masses Party. Pounding the desk with his fist, Jotaro Kawakami, one of the leading members of the nation's sole legal Leftist party, declared:

"In a recent pamphlet, the Army declared that it would be difficult to strengthen Japan's defense system without first relieving the distressed agricultural areas. How does the Army reconcile this view with its enormous budgetary allotment in 1937-38? Has the Army no intention to give a part of this huge sum to the hard-pressed farmers? The clouds now darkening Japan's horizon spring, I believe, from the Feb. 26th incident. The time has come for the Army to explain the matter in detail before the Diet and then to await the nation's verdict."

General Hayashi Promises to Lighten Burden of Agricultural Areas

Answering an interpellation in the House of Peers Feb. 22, Premier Gen. Senjuro Hayashi said that the Government would take every measure to lighten the burden borne by the agricultural areas.

Hayashi Says Army Displeased with People

"If there is any dissatisfaction at all, it is felt by the Army towards the people and the party politicians who lack undestanding of the broader meaning of the national defense," Premier Gen. Senjuro Hayashi declared in the Tokyo Diet Feb. 22.

Seiyukai Member Says Munitions Makers May Provoke War

Fear that the munitions makers, "after enjoying six years of lucrative defense contracts," would seek to provoke war was expressed in the Tokyo Lower Chamber Feb. 20 by Kiroku Oguchi, of the Seiyukai. "If they succeed, it is the entire nation that will suffer," Mr. Oguchi declared.

Japanese Army Bribery Trial to Be Resumed Shortly

Gen. Nariyuki Hayashi, who was put on the reserve list in 1934, was appointed Feb. 18 president of the High Court Martial summoned to try Lieut.-Gen. Haruhiko Uemura, former director of the Army Ordinance Bureau, on charges of bribery. The trial, which opened at the headquarters of the First Division on Feb. 9, was temporarily suspended when Gen. Sugiyama, presiding, was appointed Minister of War.

Diet Reactionaries Support Hayashi Cabinet

Reactionary organizations in the Japanese Lower Chamber Feb. 18 placed themselves on record as favoring the plans for administrative reforms and stronger defenses advocated by the Fighting Services. Seigo Nakano, founder of the Toho Club, a super-patriotic organization, and one of the guiding spirits of Japanese Fascism, expressed his approval of the program for strengthening national defenses, which, he said, "contribute substantially to the stabilization of national life." The strained situation along Manchukuo's borders with Soviet Russia, he declared, necessitates a replenishment of armaments. He strongly denounced the Government's foreign policy," which is based on conciliation, concession and kowtowing," and urged the abandonment of a policy of "friendly service." Japan's diplomacy, he asserted, lays emphasis on the maintenance of friendly relations with Great Britain, China and the United States.

Army Forgives Hamada for "Meddling in Politics" Speech

The Army Feb. 20 notified the Speaker of the House that it would not press any action against Kunimatsu Hamada for his anti-military speech in the Diet on Jan. 21. A note submitted by Mr. Hamada to the Army authorities through Speaker Kojiro Tomita has apparently satisfied the War Office that the Seiyukai parliamentarian meant no offense when he charged the Army with "meddling in politics in violation of the Imperial Constitution."

Japanese Peer Causes Sensation by Description of Third-Degree Methods

A sensation was caused in the Tokyo House of Peers Feb. 16 when one of the members, Kishichi Kokubo, questioned the Minister of Home Affairs, Kakichi Kawarada, on the subject of encroachment on human rights. Mr. Kokubo, declaring that he spoke from personal experience, gave a graphic description of the third degree and other incidents last year in the Omori, Kagoshima, Iwate and Kanagawa prefectures when police extracted confessions from persons alleged to have infringed the election laws. He declared that water torture through the nostrils, hanging from the feet, branding of the forehead with hot irons and severe kicking with heavy boots were some of the methods, reminiscent of the Tokugawa era, now used by the police. He alleged that members of the Hirota Cabinet had been indifferent to such inhuman proceedings.

Mr. Kawarada replied that the police and government officials responsible for these incidents had been punished, and that the Government intended to eliminate such procedure in the future.

Japan to Ship Gold to Mainatain Exchange

Finance Minister Yuki, intimated Feb. 28 that Japan will soon resume shipping gold bullion abroad to maintain yen exchange at the managed rate of 1 s. 2 d. Such shipments, the Finance Minister said, would not jeopardize the nation's bullion reserves, which today amount to Yen 555,275,000. He said gold shipments were suspended since December 1931 when Japan abandoned the yellow metal after a brief return to the gold bloc.

Australian Cloth Export Quotas Decided

Eighty per cent of the total Japanese cotton textile exports to Australia, authorized under the new trade accord of Dec. 26, will be assigned to firms engaged in the business, the Guild for Japanese Cotton Yarn and Cloth Exports to Australia announced Feb. 18.

Burma and Japan Reach Trade Accord

Conclusion of a Japan-Burma Trade accord was reported Feb. 16 to the Tokyo Foreign Office by Kikuji Yonezawa, Consul-General in Calcutta, who headed the Japanese delegation to the commercial pourparlers.

Japanese Cotton Guild to Open Rangoon Office

With the impending establishment of a barter trade system between Japan and Burma, the Guild of Japanese Cotton Yarn and Cloth Exporters to India Feb. 18 decided to open an office in Rangoon.

(*Continued on page* 459)

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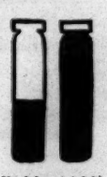

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Value of Ephedrine, Notable Remedy for Asthma, Demonstrated by Dr. K. K. Chen

Dr. K. K. Chen has contributed an article to the current number of the *Chinese Christian Student* describing the development of the drug ephedrine, the active principle in the Chinese herb. known as mahuang.

Despite the fact that mahuang was used in Chinese medicine fifty centuries ago, the alkaloid was not discovered until 1887. It remained for Dr. K. K. Chen, a Chinese who received much of his professional training in the United States, to prove its value. The work of Dr. Chen is known today to every physician and every pharmacist in the United States. His has been a most valuable contribution to modern medicine, as thousands of patients to whom relief has come through prescriptions for ephedrine products can testify.

About six years ago Dr. Chen was appointed director of pharmacologic research of the Lilly Research Laboratories, Indianapolis, which position he now holds.

The separation of ephedrine from the Chinese medicinal herb mahuang was accomplished in 1923. In association with Dr. C. F. Schmidt, Dr. Chen made important contributions to the elucidation and discovery of its numerous pharmacological properties. They found that this new drug has the properties of epinephrine and that it produces systemic effects when given by mouth. Their work led to the wide use of ephedrine in the treatment of asthma, hay fever, whooping cough, acute rhinitis, urticaria, and in the maintenance of blood-pressure in spinal and general anesthesia.

Recently Dr. Chen and his wife, Dr. Amy S. H. Ling Chen, reported the isolation of a new drug to combat heart disease, said to be several times more powerful than digitalis. It was isolated in crystalline form from yellow oleander nuts, and has been named thevetin. The new medicine has been in experimental use at the Beth Davis Hospital, Brooklyn, N. Y.

Sino-French Dispute in Kwangchow Bay Over Head Tax Said Settled

The dispute arising from the projected imposition by the French authorities of a "head tax" on Chinese residents in the Kwangchow Bay region has been amicably settled, it was officially announced in Canton Feb. 17. The settlement was brought about as a result of negotiations between Dr. Philip Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, and the French authorities. The French authorities, it is said, have agreed to drop their earlier decision to introduce the "head tax" in Kwangchow Bay.

The Kwangchow Bay district is held by France under a 99-years lease, which was demanded from China by France at the time of the "battle of the concessions" during the latter years of the nineteenth century when Germany took Kiaochow Bay, Russia occupied Port Arthur, and England leased Weihaiwei.

The C. E. C. Meet and the Aftermath

BY C. Y. W. MENG 孟長泳

TWO hundred members of the Kuomintang held an impressive ceremony before Dr. Sun Yat-sen's tomb incidental to opening the third plenary session of the C.E.C. (Central Executive Committee) and the C.S.C. (Central Supervisory Committee) on Feb. 15. The business meetings were held at the Headquarters of the Kuomintang in Nanking, the entrance to which was bedecked with various patriotic slogans, among them being the following:

"Unity is necessary in the struggle for revival, so that the foundations of the Nation may be consolidated;"

"In order to save the country from extinction and in order to resist the foreign aggression, peaceful unification of the country is necessary;"

"Let all plan and struggle to accomplish the strengthening of the nation."

Wang Ching-wei's Speech

In a stirring address at the inaugural ceremony, Wang Ching-wei, Chairman of the Central Political Council, said *inter alia:*

". . . . In face of the national crisis the foremost question confronting the Kuomintang as well as the Nation is that of recovering lost territories and safeguarding areas which are still under Chinese jurisdiction . . . Another equally important issue which awaits immediate solution is the stabilization of internal conditions . . . . The third main problem which directly concerns the salvation of the country and which hinges on the enforcement of the principle of livelihood is the promotion of the people's economic reconstruction movement . . . On top of that is a fourth point—the inauguration of a democratic government . . . National solidarity does not apply to the Kuomintang alone, but to the whole country . . . ."

"Battle of Memorials"

In the defunct Manchu Dynasty, any resolution submitted for the consideration of the throne was called a "memorial." Under the present regime, it is called as "petition." During the present C.E.C. Session, Nanking was flooded with many "petitions" from all walks of life.

(a) *Professors' Petition:* The first petition submitted for the consideration of the C.E.C. Meet came from the professors from North China in which they advocated "to seek the unification of the country by peaceful means and a 'united front' against foreign aggression." The northern educators were reported to be "closely watching" the 3rd Plenary Session of the C.E.C. and C.S.C. meet.

(b) *Popular Front Leaders' Petition:* The "All-China National Salvation," generally knows as "Popular Front," also submitted a "8-Point Petition" in which they asked for:

1. Extension of armed resistance in Eastern Suiyuan to all of China and recovery of lost territory (Manchuria);
2. Alliance with Great Britain, the United States, France and Soviet Russia for joint resistance against the encroachment;
3. Suspension of the "poisonous" negotiations with Japan, and abrogation of "disgraceful" pacts and agreements;
4. Cessation of all civil wars and settlement of political disputes with an earnest desire for peace;
5. Immediate holding of a national salvation congress;
6. Granting of genuine freedom of press, speech and assemblage;
7. Granting political rights to the public for a democratic government; and
8. Removal of pro-Japanese elements and release of political prisoners.

(c) *The First Special District Citizens' Federation's Petition:* This Shanghai Federation had also submitted a "five-point petition" in which it asked for: consolidation of national unity; convention of the People's Congress; pacification and relief measures for Shensi and Kansu; strengthening of the national defences; continuance of the program for the people's economic rehabilitation and the development of communications.

(d) *The Reds' Proposals:* A telegraphic message from the Chinese Communist Party in the Northwest of Shensi, dated Feb. 10, was also sent to the C.E.C. Session, which contianed "five proposals," among which were: Freedom of speech, and release of all political prisoners; urging the nation to fight against foreign aggression; to stop all civil wars; early preparation for an impending war against Japan; to call a people's meeting from all walks of life and to improve the peoples' livelihood.

According to the *North China Daily News* Feb. 17, the telegram from the Chinese communists in North-West stated that the Chinese communist Party will guarantee: (1) That the Chinese communist Party will discontinue its efforts to overthrow the National Government by force; (2) that the Soviet Government in China will be renamed the Chinese Republic Special Area Government and the Red Army will be renamed the National Revolutionary Army, which will be under the direct control of the Nanking Government and its Military Affairs Commission; (3) that the Min Chu principles will be carried out fully within the territory under the Special Area Government; and (4) that the communists will discontinue the policy of confiscation of landowners' lands.

(e) *General Feng Yu-shiang's Resolutions:* General Feng, Vice-Chairman of the Military Affairs Commission, had also drafted a set of resolutions for the Session. Although the contents of these proposals were not revealed, it was rumored that they advocated "resistance against Japanese aggression," "alliance with countries sympathetic to China's cause," "cessation of the anti-communist campaign in the Northwest," "protection of patriotic movements" and "freedom of speech, press and associations, etc."

(f) *Madame Sun Yat-sen's Manifesto:* In her lengthy manifesto to the Session, the widow of the late Leader said *inter alia:* ". . . Humiliating negotiations with Japan must cease . . . It is most unfortuntae that there are still politicians who do not understand the real situation, and who are victims of the 'fear of Japan' sickness . . . It would be ridiculous to think that Japan can send from 15 to 20 divisions to fight in China when the general situation in the Far East is so unfavorable . . . There can be no doubt to whom the victory would go . . . The only solution to this problem is to promote rural construction and industrialization of our country . . . the Government must bring to an end the period of tutelage, convoke the National Congress . . . must immediately abolish censorship, grant freedom of assembly, etc . . . How ridiculous it is to hear today the antiquated theory that first we must suppress the communists and then resist Japanese aggression . . . yet the late Party leader has advised us not to isolate ourselves from the outer world . . . ."

Popular Opinion Expressed by "Nanking Daily"

In an editorial expressing its "hopes" regarding the present meeting, the Nanking *Daily* (南京日報)—probably the only outspoken paper in the capital—pointed out that there are "three problems" which have to be solved. The paper suggested a "Seven-Point policy" for the Nation.

Dealing with the first problem—the Japanese policy—the paper pointed out that "although the time has not yet come to make the 'last sacrifice,' nevertheless, the limit has already been reached where we have to seek for national revival through our own efforts, to protect our sovereign rights, to lose no more of our territories, and to preserve the only chance of national independence. So power must be given to the Government to deal with the 'extraordinary situation.' When such determination is made, it is possible to put the negotiation in the proper order."

Regarding the second problem—Bandit-Communist Suppression Campaign—the paper urged the Government to put through the policy (announced by General Chiang Kai-shek) of employing "30% military and 70% political, means" to deal with the situation, adding that the "past faults should be tolerated," and "chances be given them (bandit-communists) to purge themselves."

Coming to the third problem—holding of the National Assembly—, the paper opined that this is not so urgent. "What is needed today is a 'unified government,' a 'centralized government' and a 'revolutionary government'." The "7-Point policy" is as follows:—

1. Restoration of the revolutionary spirit;
2. Creation of a "leadership."
3. Wiping out of the corruption in the officials;
4. Enforcement of national defence education;
5. Centralization in the direction of military affairs;
6. Development of heavy and light industries; and
7. Standardization of public thoughts.

We hope that the Government will not only stick to the former policy of employing "70% political and only 30% military means" to deal with the communist problem, but will change the 70% to 90%, if not 100% political. The nation is to anxious to gain internal peace, and is willing to offer a greater price for it!

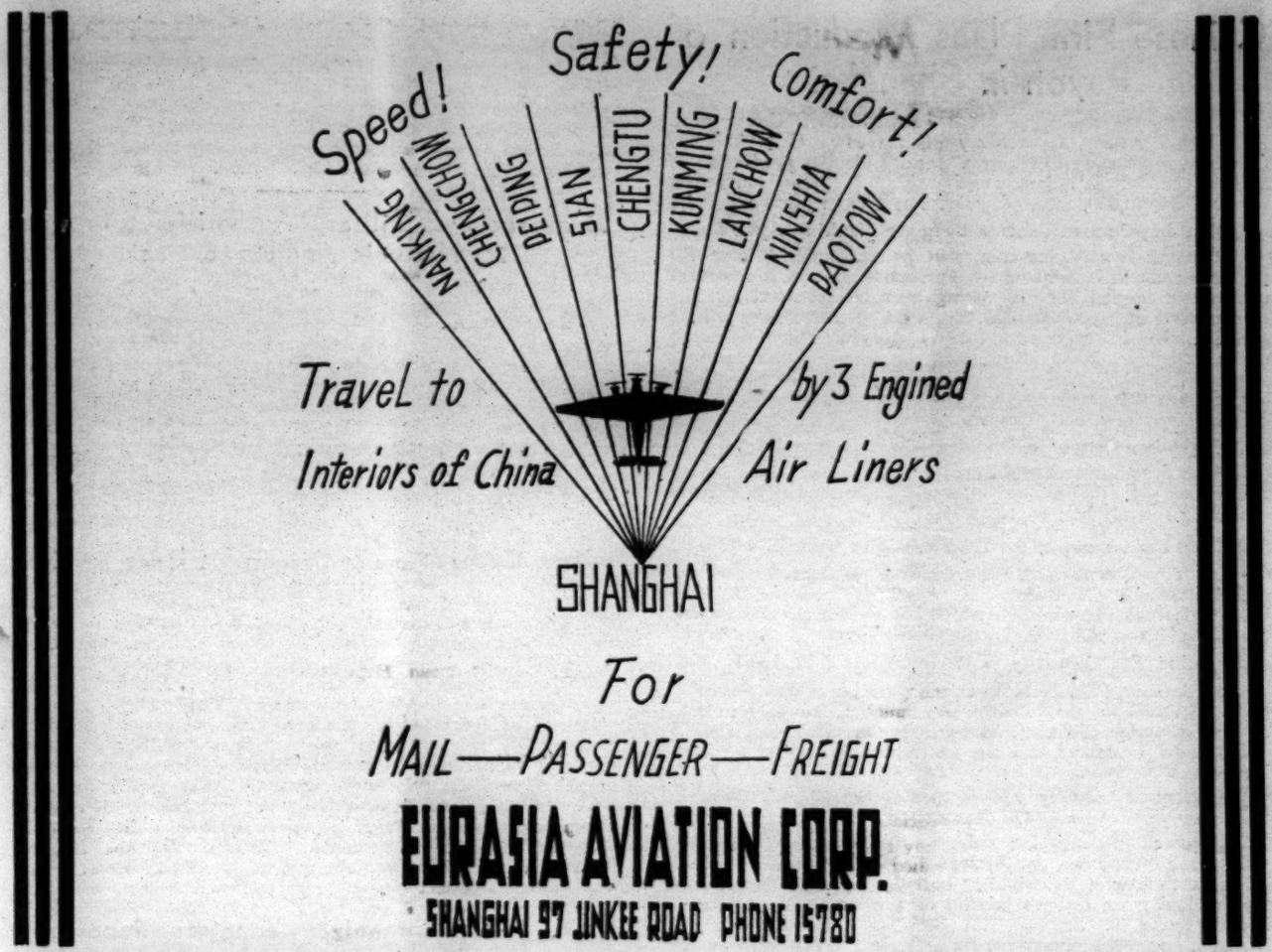
Nanking's "Pertinacity"

In an interview with Mr. Kawagoe, the Japanese Ambassador to China, Wang Ching-wei was reported to have assured the Japanese Ambassador of "China's determination to rout out the communist armies." This was the first meeeting when the two statesmen met and exchanged their views on Sino-Japanese relations. According to a *Domei* report, Mr. Wang told M. Kawagoe that while he was serving as Foreign Minister he took advantage of every opportunity to improve the relations between the two nations. "This attitude," Mr. Wang is said to have added, "has not been changed."

In what capacity Mr. Wang could give such "assurance" to an accredited diplomatic representative in China, we could never understand. But so far this report from the Japanese news agency did not attract any "denial" nor any "correction" from Mr. Wang.

Lack of Outspokenness

Unlike in the Diet meeting of a couple of weeks ago when the opposition leaders were so outspoken, and full publicity was given to their speeches, the present C.E.C. and C.S.C. meet is somewhat different. We know that the session discussed the many "reports" submitted by the government organs, but, with the exception of General Chiang's report on the Sian Revolt, the general



contents of other reports were never revealed to the public. We know that quite many "resolutions" were submitted by the Kuomintang menbers, and quite a number of "petitions" were also submitted by the people, but not a single word has been told us. It is, therefore, suggested that within reasonable and certain scope, some publicity be given, so as not to keep the masses in darkness of what is going on.

The Future?

In other words, through the many "petitions" submitted by the people to the Session, and numerous editorials on "hopes," the Chinese masses, manifested their great interest and concern over the present Kuomintang meeting. They expressed sufficiently clearly the policy—domestic and foreign—which they advocate, which, may be briefly summarized as follows:—

1. Regarding the foreign affairs, the Chinese advocate not only the safeguarding of territories still under Chinese jurisdiction, but to recover the territories already lost to the invaders. We agree with the leaders that to seek for national revival depends on our own efforts, and that, after all, nations like individuals must depend on their own efforts, but we could never agree to the "isolation policy" or "dead diplomacy." We urge our government to embark on an "active diplomacy."

2. Regarding present "communist problem," the Chinese intelligentzia concludes, to be brief, that an "armistice be concluded" (quoted from Dr. Ting Ven-kiang's article in the *Independent Review* of No. 35, p. 5.) So long as the Chinese communists could give up their "red principles;" would abolish the Soviet government in China; would disarm themselves; and would surrender themselves to the Government, the problem should be considered as *ipso facto* settled; and the so-called suppression campaign should be automatically called off.

3. Regarding the organization of the political system, it is a strong, centralized and revolutionary government which adopts and enforces the popular policy which is needed in China today. We want a leader, and we also agree that "China could not exist without General Chiang Kai-shek" (quoted from the telegram from M. Ciano, formerly Italian Ambassador to China, to Chang Hsueh-liang during the Sian Revolt). We further agree that General Chiang should at once announce his "dictatorship," and we are willing to sacrifice part of our freedom in support of a strong leadership to provide us with "security," and to lead us out of the crisix.

What will be aftermath of the Session? We hope very earnestly that no "pertinacity" will prevail, but only public opinion and "rationalism" may dominate and rule. Let by-gones be by-gones, and let every one forget all the past differences, but all work together in "oneness of heart and in virtue" (one of the slogans) to save the nation from extinction. It is by such change of policy and such determination to sacrifice everything for national unity, and to serve the nation, that will decide the "destiny" of the Nation; the "future" of the Kuomintang and, last of all, the "success" of the present Session!

Nanking, February 20, 1937.

Nanking Rules that Spaniards Are Now Amenable to Chinese Jurisdiction

In the absence of both diplomatic and consular representatives of the Loyalist Spanish Government, which China still recognizes, all the Spaniards in China will be amenable to Chinese law in the same way as citizens of non-extrality nations, it was pointed out in diplomatic circles in Nanking Feb. 20. In thus placing Spaniards under the protection of Chinese laws, it was stated, the Chinese Government has the precedent in its treatment accorded to Russians in China during the Russian Revolution and before China's recognition of the Soviet Government.

A spokesman of the Foreign Office in Nanking declared in an interview Feb. 22 that Spain at present has no diplomatic or consular representatives in China. On Sept. 1, 1936, recalled the spokesman, the ex-Spanish Minister Garrido Y. Cisneros notified the Waichiaopu by telegram that Eduardo Vasquez Ferrer had ceased to function as Spanish Consul-General for Shanghai and that Vice-Consul Julie Larracoechea had taken charge of the Spanish Consulate-General at Shanghai. On Sept. 7, the ex-Spanish Minister again requested the Waichiaopu to cancel Mr. Ferrer's exequatur. Both telegrams were confirmed by notes bearing the same dates, which were duly acknowledged by the Waichiaopu. On Oct. 5, 1936, the Spanish Minister in a note to the Waichiaopu annouced his own resignation as well as the resignation of Ricardo Muniz, second secretary of the Spanish Legation in China. On Oct. 15, Mr. Larracoechea called at the Shanghai Office of the Waichiaopu and informed the Chinese officials there that because of the resignation of Mr. Cisneros, he had been appointed Charge d'Affairs ad interim. On Oct. 24, Mr. Larracoechea, however, notified the Shanghai Office of the Waichiaopu that he had resigned from all official posts in China.

Since then, the spokesman stated, there have been no diplomatic or consular representatives in China directly appointed by the Spanish Government and recognized by the Chinese Government. The Chinese Government, he added, cannot recognize any person who, without due authority, claims to represent Spanish interests in this country.

Chinese Firm Plans Production of Rayon in Shanghai

The *Shanghai Mainichi* Feb. 20 stated that the Chung Kuo Shih Yieh Company, a subsidiary of the Hwa Chen Tobacco Company, is planning to open a factory for the production of artificial silk. China's imports of artificial silk total un annual value of $6,000,000, most of which comes from Japan and Italy.

Nanking-Yunnan Caravan to Leave Nanking April 5

Preparations are being completed by the Executive Yuan for the projected Nanking-Yunnan motor caravan, which is scheduled to leave the capital for the southern province on April 5. The total number of participants has been fixed at 120. They will be divided into 10 groups to study respectively the problems of national defence, home affairs, land education, communications, industries, farming, mining, water conservancy and judicial affairs. The caravan will pass through Kiangsu, Anhwei, Kiangsi, Hupeh, Hunan, Kweichow, and Yunnan.

Egyptian Cotton to Be Planted on Hainan Island

Plans for planting Egyptian cotton on Hainan Island were mapped out by the Central Cotton Improvement Station at a meeting recently held in Nanking.

$2,500,000 Loan Arranged for Tea Planting in Anhui and Kiangsi

Liu Yi-yen, director of the Reconstruction Department of the Anhui Provincial Government, is negotiating with the Bank of Communications for a loan of $2,500,000 for the development of tea plantations in Anhui and Kiangsi provinces.

China Tea Company to Be Inaugurated in April

According to Dr. Kinn Wei Shaw, the China Tea Company to be organized by the Ministry of Industry, the Departments of Reconstruction of Anhui, Hupeh, Hunan, Chekiang, Fukien and Kiangsi provinces, and the tea merchants, will be formally inaugurated in April.

Ministry of Industry Hopes to Develop China's Own Oil Resoures

To check the alarming volume of kerosene oil imported from foreign countries, the National Economic Council, working in conjunction with the Ministry of Industry, is devising plans for developing the nation's mineral oil resources. The increased import duties on kerosene oil introduced in July 1934, it is stated, have been responsible for a decrease in the total import since then.

Sino-Japanese Match Syndicate Fixes Production Quotas

The All-China Match Production and Distribution Association, a Sino-Japanese syndicate whose operations are scheduled to commence on March 1, has fixed production quotas for Shanghai and Tientsin. Shanghai's production quota for this year is 280,000 cases, Shantung 390,000 cases, and Tientsin 180,000 cases.

As a result of the conclusion of a $120,000 loan with a bank, in Tientsin the Peiping Match Company resumed operations Feb. 26.

China Merchants Steam Navigation Company to Resume Regular Service to Haichow Next Month

Regular shipping service between Shanghai and Haichow, operated by the China Merchants Steam Navigation Company which has been suspended following the Sian revolt of Dec. 12 last and the disruption of traffic on the Lunghai line, will be resumed next month.

Trade Agreement Regarding Netherlands Indies Urged by Chinese Chamber

The Ministry of Industry has received a petition from the Chinese Chamber of Commerce in Sourabaya asking for the conclusion of a new trade agreement with the Netherlands Government in order to further commercial relations between China and the Dutch East Indies.

National Economic Council Traffic Group Meets in Changsha

Matters relating to the improvement of traffic regulations and administration, in order to minimize automobile hazards in China, were scheduled to be taken up by the inter-provincial highway traffic commission of the National Economic Council which is meeting at Changsha on Feb. 25.

Whampoa Branch Line to Be Ready in April

The Whampoa line of the Canton-Hankow railway, which is now under construction, is expected to be opened to traffic in April.

Tsin-Pu Line Resumes Normal Schedule

The Tientsin-Pukow Railway is now operating its normal schedule as the rolling stocks formerly used for the transportation of troops during the Sian crisis have been returned and put on the regular run.

Tientsin-Pukow Railwaymen Plan Strike Action

Indignant over the small sums paid to them by the administration as New Year gratuities, employees of the Tientsin-Pukow Railway are reported to be contemplating strike action to enforce bigger payments.

At a meeting held in Tientsin, Feb. 16, representatives of the men decided to carry the fight "to the bitter end" and to seek support from their comrades on the Peiping-Mukden, Peiping-Suiyuan and Chengting-Taiyuan Railways. The meeting also decided to send a delegation to Nanking to state the men's case before the Kuomintang C.E.C. Session.

Nantungchow Military Authorities Condemn 70 Narcotic Addicts to Death

The military authorities at Nantungchow, Kiangsu Province, last week made sweeping arrests of suspected opium addicts, upwards of 2,000 persons being questioned and hundreds of them taken into custody. The military court condemned 70 of the addicts to death under the drug suppression regulations, although, pending a review of the case by a higher military authority, the death sentence has not yet been carried out.

A similar drive against drug addicts was carried out at Wusih, on the Shanghai-Nankking Railway, this week.

Some 15,000 red pills, (morphine preparations) were seized by the Shanghai French Concession Police during a raid at in Rue Lafayette, Feb. 22.

Siam Orders Speedy Bombing Planes in the United States

The Siamese Government, in pursuance of its plan to strengthen its navy is having a number of vessels built at present in Japan and Italy. Siam took delivery early last year of the first two of nine torpedo-boats ordered from Italy. Britain, Holland and Germany also bid for the contract. Ten other naval craft were ordered from Japan, including two training ships, which were recently completed, four submarines, two gunboats, a transport and three vessels for coastal defence. About 700 Siamese naval officers and ratings are now on their way to Italy to bring back to Siam seven new torpedo-boats. Just recently the Siamese Government ordered several bombing airplnes with a speed of 235 miles an hour, and costing a total of nearly U.S. $760,000, from the Glenn L. Martin Company, of the United States.

T. V. Soong Organizes Yangtsze Foodstuffs Transportation Company

In an attempt to solvé fundamentally the problem of shortage of rice in Kwangtung, T. V. Soong, chairman of the Board of Directors of the Bank of China, has decided to organize a Yangtsze Foodstuffs Transportation Company with a capital of $10,000,000. This company will transport large quantities of rice from Wusih, Wuhu, Kiangsi and Hunan to Kwangtung.

32,905 Tons of Hunan Rice Shipped to Kwangtung

Hunan rice to a total of 32,905 tons has been shipped to Kwangtung during the last three and-a-half months to relieve the foodstuff shortage in the latter province.

Italian Army Officers in Abyssinia Are Victims of Bomb Throwing

Marshal Graziana and General Liotta of the Italian Army forces in Abyssinia were injured when hand-made bombs were thrown at them in Addis Ababa Feb. 20, while the Italian officers were engaged in distributing presents to the poor in mosques and churches of the city. The injuries to Gen. Liotta were so severe that a leg had to be amputated. The Marshal's injuries are of a minor character. Several Abyssinians were also injured when the bomb was thrown.

Japanese Army to Lower Height of Eligible Recruits

Faced by a shortage of eligible men for service in the Army and the Navy, the Fighting Services of Japan Feb. 18 obtained the Emperor's sanction for the lowering by 5 centimeters of the height limit of 1.55 m. for recruits. An ordinance revising the Conscription Law was gazetted the following day.

Paul Vories McNutt Appointed High Commissioner for Philippines

Paul Vories McNutt, former Governor of Indiana, was appointed Feb. 17 by President Roosevelt as High Commissioner for the Philippines. Mr. McNutt will remain in Washington for a month before proceedings to Manila in order to greet the Philippine Mission headed by Senor Manuel Quezon, President of the Philippine Commonwealth, and to discuss future trade relations.

Shao Li-tse, Veteran Journalist, Appointed Kuomintang Publicity Head

Shao Li-tse was appointed Feb. 21 Chairman of the Central Publicity Department of the Kuomintang. This appointment brings to the forefront of China's Fourth Estate a veteran journalist who has had wide experience in the newspaper field at Shanghai.

Shao Li-tse

Fifty-five years of age and a native of Shaoshing, Chekiang, Mr. Shao, was until recently Chairman of the Shensi Provincial Government. He is the holder of the "Chujen" degree under the Manchu regime. Following his graduation from Fuh Tan University, Shanghai, he became a member of the Tung Meng Hui, the first revolutionary society organized by Dr. Sun Yat-sen in Japan.

At the age of 30 he started his journalistic career which first brought him into the editor's chair of the *Min Li Pao*, a revolutionary organ published in Shanghai. He later became managing-editor and publisher of the *Min Kuo Jih Pao* for 10 years, during which time he gained a wide reputation among Chinese journalists in this country.

In 1925 he left Shanghai for Canton where he was named chief of the political bureau of the Whampao Military Academy, China's "West Point." From 1927-31 he became chief-secretary to the Generalissimo's Headquarters.

Following the establishment of the National Government at Nanking he was elected a member of the Central Supervisory Committee. In 1932 he was appointed Chairman of the Kansu Provincial Government and in July 1933 Chairman of the Shensi Provincial Government, from which post he resigned following the Sian revolt of Dec. 12 last.

Blood Poisoning of Late Gen. Chu Pei-teh Followed Injection of "Stale" Medicine

In connection with the death of General Chu Pei-teh, director of the Administrative Office of the Military Affairs Commission, which occurred suddenly from blood poisoning at Nanking on the night of Feb. 17, the *Lib Pao* of Feb. 19, stated that General Chu had been suffering from anemia since last summer and had employed a nurse, a Fukien girl, to attend to him. She gave him a daily injection of a certain German patent medicine. On Feb. 14, General Chu suddenly caught a cold and asked his nurse to give another such injection into his arm. The tube had been filled with the medicine sometime previously. Accordingly the nurse carried the tube to the Drum Tower Hospital and asked a certain resident doctor there whether that tube of medicine could still be used. The doctor replying in the affirmative, the nurse returned and injected the contents of that tube into the arm of General Chu. The next day, General Chu's arm suddenly became swollen, but in spite of this ailment, he attended the opening ceremony of the C. E. C. Plenary Session the next day.

During the ceremony at Dr. Sun's mausoleum Gen. Chu's condition was aggravated because of the severe cold due to strong wind. Consequently his temperature went up so high that he had to enter the Drum Tower hospital for treatment. In the hospital it was found that both his chest and back were red and swollen. The hospital authorities took a very serious view of the case and consulted Dr. J. Heng Liu and Dr. James Shen of the Central Hospital, who expressed the opinion that General Chu's blood must have been poisoned due to air in the tube when the injection was made. Then Drs. Liu and Shen performed an operation, but the operation proved of no avail.

The funeral of the late Gen. Chu took place with full military honors on the morning of Feb. 21, when the remains were moved in a brass coffin from the Funeral Parlors to the Pilu Temple, an ancient monastery inside the city. Covered with a large silken Kuomintang flag, the casket was carried in a motor car bedecked with flowers including those sent by Generalissimo and Madame Chiang Kai-shek.

Two of the late general's beloved steeds, one whitish gray and the other burning red, also took part in the funeral march as mute mourners of their master. Saddled and with full service trimmings, they were attended by several grooms who have also seen years of service with the late warrior.

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What May We Learn from the Sian Crisis?

HUBERT S. LIANG*

What may we learn from the Sian Crisis? or rather, What has the Sian Crisis revealed to us already?

During the whole crisis the press as a whole failed miserably in its function of providing the public with accurate and correct information as to what was really going on. Instead of making clear the situation to the reading public its information and interpretation only added to their bewilderment and confusion. Oftentimes the reports were not based on facts at all but conjectures and wishful thinking or willful hoping on the part of some correspondents hundreds or thousands of miles away. In not a few cases downright fabrications and coloring of news were resorted to. Most rigid government censorship and difficulty of communications were undoubtedly responsible. But even making all possible allowances the Chinese press cannot, I am afraid, escape the indictment that it failed in its function of accurately informing or trying to give accurate information about the crisis. The editorial columns were no better. Instead of counselling dispassion and calm all except two or three papers exhausted all possible devices in stirring up people's emotions of the basest nature.

Another most disturbing element as revealed by the Sian Crisis was the behavior of the so-called leading intellectuals, especially those few who were most vociferous during the crisis. One would think that in an hour of grave national crisis such as the Sian revolt had confronted the country it is these people to whom the nation could look up for calm and cool judgments, for realistic and impartial analysis of the situation and for dispassionate and wise advice and guidance. Instead they were the most excitable of the lot. Their utterances and writings betrayed an astounding ignorance on their part of the political realities of the situation.

Still another thing that was revealed stark and clear by the Sian Crisis is the indispensability of the individual leadership of Marshal Chiang Kai-shek at this critical juncture of China's history. There can be no doubt that he is the one leader in the country who can command universal admiration and respect. But in this very situation there lurks the danger. Has not the Sian Crisis taught us something about the vulnerability of one man's rule? There can be no question that as long as he lives and as long as he chooses the Generalissimo will retain his toweringly commanding position in the Chinese government. But even with this granted should not steps begin to be taken in the direction of broadening that basis of power so that whatever may happen to one man the government will go on just the same?

A Pleasant Side of the Situation

Let us now turn to the more pleasant side of the situation. One of the most heartening signs throughout the whole crisis was undoubtedly the national consciousness and interest which it aroused. People who were utterly indifferent toward national affairs were rudely awakened from their lethargy. The widespread anxiety over the Generalissimo's safety and later the outburst of joy over his release were not only tributes to him as an individual but to him as a national leader who is universally expected to lead some day the entire nation in a life-and-death struggle against China's chief aggressor.

To the excitability and the political childishness manifested by the few intellectual leaders as mentioned above the cool-headedness and the realistic attitude of the younger members of China's intelligentsia maintained throughout the crisis formed a decidedly refreshing contrast. They saw the situation steadily and saw it whole. They refused to be panicky, and to be misled by highly emotionalistic propaganda. The erratic manifestations of ill-discipline and violence which immediately followed the release of the Generalissimo as found in some of the schools could not be interpreted to represent the doings of the best elements of the young intelligentsia. To a large degree they were the inspired antics of irresponsible and unstable elements who were under the influence of the passionate and inflammatory pleadings of the few intellectual leaders who made the largest noise during the crisis. By and large the students, particpalry those in Peiping, made the best showing during the whole crisis. They remained calm and retained their poise to a superb degree.

The last but not the least heartening element as revealed by the Sian Crisis is that China's internal disputes, however grave or serious their nature, can be settled by peaceful and political means. For a time darkening clouds of civil war were gathering thick and fast. Even after the Generalissimo's release the danger of war was by no means past. I cannot but recall the heavily depressing circumstances under which I had to see the Generalissimo at Fenghwa some three weeks ago. Half an hour before I saw him I had reports from sources which could not but be considered authentic and authoritative that military actions *vis a-vis* the Sian situation were absolutely unavoidable. When I saw the Generalissimo half an hour later and asked him how the Sian situation stood he said to me with a great deal of determination and with most impressive and almost painful sincerity that there was still hope for a peaceful settlement. Those who knew the inside and followed the situation closely perceived the extremely delicate and difficult position in which the Generalissimo was placed. A civil war of the most disastrous consequences could have been easily precipitated if he had not stood courageously and solidly against it. Is it too extravagant to hope that with the peaceful settlement of the Sian situation civil war in whatever form will henceforth be banished from Chinese soil?

So much we have learned from the Sian Crisis. What *may* we learn from it? To answer this question to any adequate degree one must go back to the objective circumstances which led to the Sian revolt. The only surprising feature about it was the captivity of the Generalissimo. To ascribe the crisis as some people have done to any single motive such as personal ambition or the greed of certain military leaders is to over-simplify matters to a woefully inadequate and dangerous degree. Here were in the Northwest more than 100,000 Tungpei troops who had been driven away from their Manchurian home land by foreign marauderers. Here they were detailed to fight the so-called Communist-bandits, their own people. They fought and met a series of reverses. Either through these defeats or through the process of an inner awakening or as a result of the intense and powerful propaganda of the opposing side, whatever might be the reason, the fact remained: they refused to fight the Reds any more. Meanwhile the relationship between China and Japan, negotiations for a fundamental readjustment to the contrary notwithstanding, was going from bad to worse. Equipped with Japanese ammunitions and supplied with Japanese funds bogus and traitorous Mongolian troops were invading Suiyuan. Simultaneous with the invasion of Suiyuan came the dramatic arrest of the six leaders of the National Salvation Association in Shanghai and the summary suppression of the 14 magazines of allegedly leftist tendencies. In the meantime startling developments took place in the international arena which were bound to have far-reaching and important effects upon the national destiny of China. These developments included the announcement of the Japanese-German Pact and Italy's declaration of recognition of "Manchukuo." No wonder the proclamation of the motivators of the Sian revolt embodied the following eight points:

The Eight Points of the Sian Revolters

1. Reorganization of the Nanking Government to include anti-Japanese representatives from all parties, groups, and organizations throughout the country.
2. Stop all civil war.
3. Immediate release of National Salvation Association leaders in Shanghai.
4. Release of all political prisoners throughout the whole country.
5. Remove all laws and restrictions upon the patriotic movement.
6. Protection of the civil rights of the people, free speech, press and assembly. Full political freedom.
7. The Immediate realization of the last will and testament of Dr. Sun Yat-sen, which calls for an alliance between China and all countries that believe in its freedom and independence.
8. The immediate convocation of a National Salvation Congress.

Whether or not the leaders of the Sian revolt sincerely believed in this platform they knew very well that these represent the innermost demands of all intelligent and patriotic Chinese.

It was at this point that Professor Liang quoted from his article, "Essential Conditions for China's Internal Unity."

There still remains the question in regard to the Communists. What about them? As far as one could gather from really responsible quarters the position of the government on the issue can be summarized in some such way as follows: If they, the Chinese Reds, would give up their form of government and their separate army and disconnect themselves from the Third Internationale they will be taken or rather re-taken into the fold. As for the Communists, I believe if the government would sincerely and earnestly carry out some such program as outlined above together with an economic program that would actually improve the livelihood of the people, they, with their characteristic realism and foresight, would make such necessary concessions as to allow them to play openly an important role in determining and shaping the country's destiny.

This is what we, the people and the government alike, may, should and must learn from the Sian Crisis, namely, to know the realities of the situation, however distasteful or painful they may be, and after knowing them to face them unflinchingly and in a truly statesmanlike manner in the interest of the country. If we, the government and people alike, do this, the Sian Crisis may yet mark a new epoch of internal peace and unity in Chinese history. If not, then there are bound to occur, I am profoundly afraid, even more grave internal crises, beside which the recent Sian Crisis will pale into utter insignificance!

***Extracts from a speech delivered at the Forum Dinner of the Men's Brotherhood of Peiping at the Peiping Hotel, Feb. 17, 1937. In addition to the paragraphs quoted in the course of his speech, Mr. Liang, who is a professor at Yenching University, and concurrently dean of the School of Journalism of the same University, quoted at length from his article written for *The Review* of Aug. 1, 1936, entitled "Essential Conditions for China's Internal Unity."**

Vice-Admiral Hasegawa Calls on North China Officials

Vice-Admiral Hasegawa, Commander of the Japanese Third Naval Squadron, arrived in Peiping, Feb. 21. He spent two days there making calls on Chinese officials, and then left for Chinwangtao on February 23 to rejoin his flagship. Admiral Hasegawa, who arrived in Tsingtao from Shanghai on Feb. 15, then proceeded to Tientsin to see Lieutenant-General Tashiro, Commander of the Japanese Garrison in North China. He spent several days in Tientsin calling on General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council and other Chinese officials. This was Admiral Hasegawa's first visit to North China since his appointment to the command of the Japanese Third Naval Squadron last November.

It is reported from reliable sources that Lt.-Gen. Tashiro, commander of the Japanese Garrison in North China, and other high officers, will be transferred to other posts in March. It is generally believed that Gen. Okarura, who was the Japanese signatory of the Tangku Truce, will be appointed commander of the Japanese Garrison in North China.

Lieutenant-General Nagatani, the Commander of the Third Division of the Japanese Marines, arrived in Tientsin from Tsinan Feb. 19, and, subsequently, convoked a conference with Gen. Tashiro, the Commander of the Japanese Garrison Army in North China, and his followers, exchanging interviews with one another with regard to the latest conditions in North China. He interviewed General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, Feb. 20, then proceeded to Peiping Feb. 21, and later departed for Port Arthur via Chinwangtao.

Armed with the mission of reporting to the Tokyo War Office on the latest developments in Sino-Japanese economic co-operation in North China as well as to receive fresh instructions, Col. Wachi, staff officer of the Japanese Garrison in Tientsin, returned to Japan by air Feb. 20.

A. Tajiri, first secretary of the Japanese Embassy in Shanghai, flew to Nanking Feb. 20 upon the summons of S. Kawagoe, Japanese Ambassador to China. He has been commissioned by the Ambassador to return to Japan to confer with Gaimusho officials on Sino-Japanese negotiations.

Ambassabor Kawagoe met Naotake Sato, Amdassadar to Paris, en route home aboard the *s.s. Yasukuni Maru*, in Shanghai Feb. 25. Mr. Sato denied that he had been offered the Foreign Affairs portfolio by Premier Gen. Senjuro Hayashi.

Shinji Sogo, representative of the Hsin Chung Kungssu, subsidiary of the South Manchuria Railway at Tientsin, arrived in Shanghai several days ago and is staying at the Hokuman hotel. He came to Shanghai for the purpose of promoting the formation of a tug and lighter company to operate along the coast of Kiangsu and Chekiang and on the Yangtsze and to handle Japanese cargoes from North China.

Admiral Mineo Osumi, Minister of the Navy in the Okada Cabinet, was appointed special inspector of the Third Fleet, stationed in Chinese waters, Feb. 22. The inspection will take place during April.

China Will Participate in International Art Exhibition in Paris

China will participate in the International Art Exhibition to be held in Paris commencing May 1. A reception was held by the committee in charge of sending the Chinese exhibits to the French capital in the Chinese Y.M.C.A. in Boulevard Montigny, Shanghai, Feb. 20, at which more than a hundred guests were in attendance. Li Kang-hou presided at the gathering. It was disclosed at the reception that a priceless jade pagoda (designed by Chang Wen-ti) and other jade objects will form the main part of China's exhibit. A preliminary local exhibition of the art objects which will be sent to Paris will be held in Shanghai some time next month.

Radio Set Gets American Family in Yokohama into Trouble

J. S. Jordan, head of the shipping department of the Standard Oil Company, brother to A.F.R. Jordan, acting Danish Consul, his wife Mrs. Halose Jordan, and their maid Yumi Kazawa, were taken to gendarmerie headquarters from their house in Yokohama Feb. 8 and were examined in connection with the fact that when Mrs. Jordan returned to America last year she brought back a short wave-length wireless apparatus of the finest make with 20 bulbs which was installed in the Jordan home without police permission. The suspicion was that espionage messages had been transmitted on this secret apparatus. All three were eventually released.

The Tokyo *Hochi*, in relating the incident, mentioned that Mr. Jordan's father served the Japanese Army in the Russo-Japanese War as telegraphic engineer and for his services was decorated. Since then the Jordan family has been looked upon as friends of Japan, and the police and gendarmerie for a long time neglected to make any investigation.

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General Sugiyama Outlines Army Plans in Manchukuo

A three-fold program of strengthening the Japanese armed forces stationed in Manchukuo, to offset the Soviet military preparations in the Far East, was outlined in the House of Peers Feb. 22 by Gen. Gen Sugiyama, War Minister. Replying to an interpellation by Tsukei Sugawara, of the minority Dosei Club, Gen. Sugiyama revealed that the following steps were being planned by the Army:

1. Increase of the number of Japanese troops in the New Empire and their armaments;
2. Expansion of the air force and the anti-aircraft defences;
3. Replenishment of war materials.

"Our strength in Manchukuo," he said, "cannot be compared with the 15 Soviet divisions stationed in the Far East."

Seiyukai Member Speaks of Undeclared War on Manchurian Border

Chu Funata, of the Seiyukai Party, in discussing the vast appropriations sought by the Fighting Services in the Japanese Lower House Feb. 22 said: "Undeclared war is being fought along Manchukuo's border by Soviet and Japanese troops. Is there not some way of settling the Soviet-Japanese differences by pacific means? The Army is trying to deepen our understanding of the current problems by issuing various pamphlets. In these publications, the inevitability of war is always given a pre-eminent position. Can it be true that Japan is confronted by an inevitable war?"

Premier Hayashi and General Gen Sugimyaa, replying to the question, declared that amity could be restored between the two nations if "Moscow reflects upon its insincerity, abolishes its powerful military machine in the Far East, and terminates the Comintern's activities in Manchuria and China."

General Sugiyama further declared that "the Army is strengthening national defenses in the belief that replenished armaments alone can prevent war." This reply was endorsed by Vice-Admiral Mitsumasa Yonai Minister of the Navy.

Hsinking Government Protests Border Incidents

A note protesting against five cases of alleged invasion of Manchurian territory by the Outer Mongolian troops since December was sent Feb. 20 by the Manchukuo Government to Ulan Bator Hata. Simultaneously, the Manchukuo Government denied the Outer Mongolian allegation that Japanese and Manchurian troops had crossed the border between the new Empire and the Soviet Mongolian Republic. The territory whose alleged invasion by the Japanese and Manchukuo forces is protested by the Mongolian administration "has always formed an integral part of the new Empire," an official of the Hsinking Foreign Office declared.

Border Incident Near Outer Mongolia

A boundary dispute has broken out between the Ushin and the Otok Banners of the Iehedzu League in Northern Shensi near Outer Mongolia. The authorities of North Shensi view the conflict with grave concern and have sent a battalion of troops to the spot to mediate in the trouble, according to a *Central News* dispacth from Yulin, North Shensi.

Hsinking Denies Report of Bandit Attack on Train

Manchukuo authorities Feb. 20 emphatically denied the report, circulated by a foreign news agency, regarding a bandit attack on a train near Harbin. The report said that more than 20 foreign passengers were kidnapped by the outlaws.

Bandits Loot Bus, Near Harbin—Kidnap 23 Chinese

A daring holdup was staged near Harbin Feb. 23 when 60 bandits attacked a motor transport convoy proceeding to Harbin from Sansing, 20 miles southeast of Taipaiching, with passengers and goods. The desperadoes kidnapped 23 Chinese after collecting everything of value.

Japanese Intensify Military Training Among Manchurian Youths

For the purpose of consolidating their influence in Manchuria, the Japanese Kwantung Army has decided to introduce strict military training to Chinese youths in Manchuria. All young men between the age of 16 and 19 will be enlisted and given two months' military training. For the first period, (two months) a total of 15,000 young men will be mobilized for the training.

Huge Iron Ore Deposits Discovered in Fengtien Province

Deposits, aggregating about 100,000,000 metric tons, have been located near Tunghwa and Huanjen in eastern Fengtien province, Manchukuo, officials of the South Manchuria Railway Co. announced in Dairen, Feb. 18. The iron content of the ore was placed at from 60 to 80 percent.

Manchuria Coal Concern Raises Capital to Yen 80,000,000

The shareholders of the Manshu Coal Mining Company Feb 17. approved a five year plan, designed to raise the annual output of the concern's mines in Jehol to 5,000,000 metric tons in 1941. Simultaneously, it was decided to raise the capitalization of the firm to Yen 800,00,000. The company owns the Hsinchiu coal mines in Fuhsin, Jehol, about 25 miles west of Hsinlitun, on the Tahushan-Tungliao Railway.

S.M.R. Net Profit to Reach Yen 54,000,000

Exceeding by Yen 5,000,000 its budgetary estimates, the South Manchuria Railway Company expects to reap a net profit of Yen 54,000,000 for 1936, officials in Dairen revealed Feb. 18. Most of this revenue will come from subsidiary enterprises such as the Showa Steel Works, the company's coal mining enterprises and others. Railway income, officials said, did not show any outstanding gains from last year.

S.M.R. to Organize Gold Mining and Shipbuilding Subsidiaries

Further enlarging its scope of activities, the South Manchuria Railway Co. will soon undertake the mining of gold and shipbuilding. Permission was granted the S.M.R. by the Manchukuo Government Feb. 20 to organize a gold mining company capitalized at Yen 3,000,000. It will exploit deposits at Tsangshih, on the Mukden-Kirin Railway, and in the Lunghua and Chinghai districts of Jehol. The dockyards will be capitalized at Yen 2,000,000 and organized as an affiliate of the Dairen Kisen Kaisha, shipping subsidiary of the S.M.R.

The Dairen correspondent of the Tokyo *Asahi* Feb. 13 noted an epoch-making change whereby the S.M.R. has been successful in having its railway investments recognized as a pure national policy, and as a result will enjoy fund accommodations from the Japanese Government and Manchukuo, thus abandoning the principle of depending on the Japanese home market alone for funds or to seek part of the funds required in Manchuria.

The S.M.R. has already invested some Yen 700,000,000 in railway construction, and in view of the fact that some apprehension is being felt regarding future finance, the S.M.R. leaders have decided to take the stand that profitable railway investments have reached a saturation point with the completion of the third line. Accordingly Yosuke Matsuoka, president of the South Manchuria Railway, and Kenichiro Sasaki, director of the company who is now in Tokyo, have requested the Kwantung Army and the central Government authorities in Tokyo to make efforts to supply the S.M.R. with funds not from unofficial suorces. The result has been an understanding obtained from these authorities that hereafter railway investments by the S.M.R. are to be regarded as special investments, for which funds are to be accommodated by means of payments by the Japanese Government and Manchukuo's issuance of bonds.

New Hsinking Firm to Control Labor Supply in New Empire

Moving to control the supply and demand for manual labor in the new Empire, the Hsinking Government Feb. 22 decided to establish a special firm, whose task it will be to move workers where they are most needed.

As soon as the project is approved by the Kwantung Army and the South Manchuria Railway Company, the Government will promulgate an ordinance empowering the new concern to control the movement of labor. The firm will be capitalized at Yen 500,000 subscribed in equal shares by the Government and the S.M.R.

Soviets to Close Railway Through Manchuria?

Recent advices from Riga stated that the Soviet Government has decided to close the railway traffic with Manchukuo through Pogranichnaya, the frontier station of the former Chinese Eastern Railway, directly linking up Manchukuo with Vladivostok. The authorities at Harbin, it was stated, have already been informed, and Moscow explains that the behavior of Japanese officials and soldiers makes traffic impossible or not worth the while; they suspect all Soviet railwaymen, whom they subject to humiliating searches and interrogations, ignoring all Soviet protests. Therefore, it is said, the simplest way to avoid more serious conflicts is to cease the traffic altogether.

Soviet Commissar of Finance Reports Great Success of 1936 Budget

The report of the People's Commissar of Finance of the U.S.S.R., G. F. Grinko, on the Budget for 1937, at the Session of the Central Executive Committee of the U.S.S.R., Jan. 13, contained preliminary data on the fulfilment of the State Budget of 1936. Revenues exceeded estimates by almost five milliard roubles.

Death Occurs of Soviet Comissar of Heavy Industry Ordjonikidze

The death occutred Feb. 18 in Moscow, after an attack of heart paralysiss, of Gregory Ordjonikidze, Comissar of Heavy Industry and member of the Political Bureau of the Central Committee of the Communist Party of the Soviet Union.

The late Mr. Ordjonikidze was born in 1886 and commenced his revolutionary activities in Trans-Caucasia in 1903. During his underground work there he met Stalin, whose closest friend and comrade-in-arms he became for his whole life. In Czarist times he was a Siberian exile. From 1919 to 1921 he directed the operations of the Red Army on the Western and Southern Caucasian fronts and took an active part in the liberation of the entire Trans-Caucasia and the establishment there of the Soviet regime.

Rear-Admiral Marquart Takes Over Command of U. S. Yangtsze Patrol

Command of the U. S. Yangtsze Patrol was transferred Feb. 23 by Rear-Admiral W. H. Allen to Rear-Admiral Edward J. Marquart at ceremonies held in a drizzling rain on the deck

When an admiral "hands over" his ship—Rear Admiral W. H. Allen (in civilian clothes) who is returning to the United States after handing over command of the U. S. Yangtsze Patrol to Rear Admiral Edward John Marquart.

of the U.S.S. Luzon. Rear-Anmiral Marquart arrived from the Philippines aboard the transport U. S. S. Henderson on Monday. Rear-Admiral Allen will leave Shanghai shortly to assume new duties in Washington, D. C. The ceremony took place aboard the U. S. S. Luzon at 10 a. m. No salute of guns marked the transfer of command, as is the U. S. Fleet custom in other ports, but instead a five-foot string of firecrackers was held out over the water and set off as the Admiral's barge departed.

Workers from Japanese Cotton Mill Demolish Police Station

About a thousand employees of the Japanese-owned Toyoda Cotton Mill early Feb. 20 attacked the Chinese Tsaokadoo Police station near the mills, which are situated on Jessfield road, Shanghai, in retaliation for the police "interfering" in a dispute among the employees. The rioters demolished the station, and hurled the bricks at the police. Col. Tan Pao-shou, head of the station, received a deep gash in the fochead and several of the police received minor injuries. Thirteen of the alleged ringleaders were arrested.

Tramway Employees Granted Increase in Wages

The labor dispute among the Shanghai Settlement's tram operators, which last week resulted in a one-day strike, was settled end of last week when officials of the Shanghai Electric Construction Company and mediators named by the workers held a conference. The workers were accorded a small increase in wages.

Shanghai Taxi Drivers Present Demands to Employers

Taxi drivers employed by the Ford, Johnson, Taylor and Silver garages of Shanghai met in Nantao early this week and formulated a series of demands for presentation to their employers.

Rival Coolies Raise a Question of Judrisdiction

Rival banana and sugar cane unloading coolies staged a fight at the corner of Hongkew Creek and Woosung Road, Shanghai, Feb. 21. The successful crew boarded boats in the Creek and refused to give up possession. A matter of jurisdiction now arose. When the coolies are on the street they are amenable to the police of the Foreign Settlement. When they are on boats in the creek they are amenable to the jurisdiction of the purely Chinese-controlled River Police.

Leader of Alleged Terrorist Group Claimed by Japanese to Be a Korean

With the cooperation of Chinese police, the Japanese authorities Feb. 18 arrested in Nantao a man named Tsai Tien-min, who is alleged to be the leader of a terrorist group said plotting to assassinate Japanese officials. Tsai, who claims he is a native of Chuanchow, Fukien, denied any knowledge of the alleged plot. The Japanese insist, however, that Tsai is a Japanese subject and he was detained by the Japanese Consular police. After having been taken back to the Chinese Bureau of Police for ten minutes formal extradition papers were filed by the Japanese police on the ground that he was a Korean and subject to Japanese jurisdiction.

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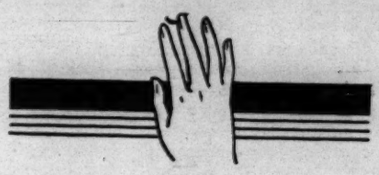
holding you back?



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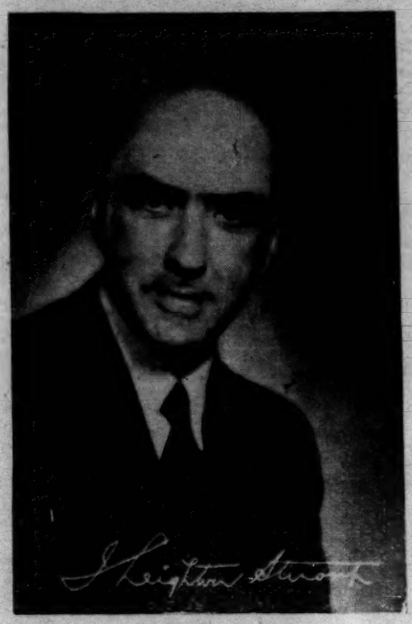
Dr. J. L. Stuart Discusses the "Problem of China"

SPEAKING on the topic of "The Problem of China as I See It," Dr. J. L. Stuart, president of Yenching University, delivered an inspiring address to several hundred students and faculty members on Feb. 16 at the usual University assembly period.

In stating his opinion on the present outlook in China, Dr. Stuart maintained the point of view of the bearing of conditions in China upon the policies of Yenching, its inner life there, and its conception of education, by pointing out that if Yenching is really to be a place where students are trained for serving their country, and contribute to the national welfare, then present conditions in China have a very practical consequence for its educational program and academic standards and campus life.

Continuing, the speaker stated that Yenching University is a Christian Institution, and one meaning which can be agreed upon, is that those who are Christians are those who have made possible the building and maintenance of this university, and for that reason want its students to serve their nation and especially their less fortunate fellow-countrymen, in all sorts of progressive and constructive developments, that make for the welfare of the masses of the people of China.



Dr. J. L. Stuart

In relating education to the present outlook of China, Dr. Stuart maintained the belief that history in the future will speak of 1936 as a turning point in Chinese history.

Dr. Stuart stated that his former faith that China would not be destroyed by any other country, is not so much a matter of faith now, as of a fact already achieved. This he illustrated by the changing political philosophy within Japan. Japanese policy has been guided by a certain political philosophy regarding China, that China would always be disorganized, always be controlled by selfish, greedy officials struggling among themselves for power and wealth; that the people simply wanted to be well governed and that Japan by controlling the country could give better government, economic prosperity, etc. Therefore, the problem of the Japanese government was to eliminate these corrupt and useless officials, and they have been doing that for years by intrigue and intimidation, buying with money and strengthening with military threats.

To adapt itself to this situation, Dr. Stuart felt that a really unified China has nothing to fear from Japan because he is of the opinion that the Central Government under General Chiang's leadership is determined to protect North China. Confidence must be maintained that Gov. Han, Gen. Sung, and Gen. Yen Hsi-shan, and Gen. Chiang are working together.

In so far as Yenching has been afraid that the Central Government would allow North China to be invaded because it felt itself too weak, Dr. Stuart remarked that this period has passed.

China is very fortunate, the speaker said, in the present leadership and the Chinese can be very proud of the man who more than anyone else stands out as the national leader. Gen. Chiang compares very favorably with any of the outstanding figures in the world today. He has developed a great deal in his own character, whatever he may have been or done in the past. Gen. Chiang of today and of the future, is a man to be proud of and to support and help influence toward the high ideals to which he is coming to make his aims in life.

Moreover, reiterated Dr. Stuart, there are in Nanking two groups. First, those who believe in the strong Central Government to suppress communistic forces—conciliation with Japan. Those people are quite sincere in believing that there is more to be gained by cooperation with Japan than by resistance. Second, others who believe in liberal government in permitting other parties to be established, and hasten the establishment of constitutional government. There are all sorts of minor differences among them, but those two tendencies are showing themselves in China as in most other countries in the world to-day. Chiang is in a very difficult position in trying to avoid a breach between those two groups.

The appeal of communism, said the speaker, seems to have a definite technique, a determined program for this betterment of the livelihood of the people. There is no real communism in the world today. Russia is not communistic, it is state socialism as a stage toward communism at some future time. There are very few Chinese who are communistic first and Chinese afterwards. They are Chinese first, and communistic afterwards.

In conclusion, Dr. Stuart emphasized that he would be very proud if Yenching could take a leadership in thought as to national problems, abandoning issues no longer important.—*Condensed from a full report of Dr. Stuart's speech by Wm. W. Y. Liang of Yenching University.*

A Reply to the Problem of a Strong Foreign Policy

Editor, China Weekly Review, Shanghai:

I beg to differ with quite a few points as contained in the article "The Problem of a Strong Foreign Policy" (Contributed) in the Jan. 30 issue of *The Review* and hence this open letter.

That "A nation without a foreign policy may be likened to a ship on the high seas without a chart" is either an incorrect size-up of the situation or an intentional trifling of the same because a ship on the high seas without a chart may eventually arrive at some unintended destination but a ship on the high seas without a rudder is not only risky but also fatal since that ship may be capsized at any moment during this raging Sino-Japanese storm. Besides this problem of a Strong Foreign Policy is not a problem that concerns the pro-Japanese and the anti-Japanese elements in our Government but it is a problem of doing the right thing at the right time for the maintenance of our national manhood at any cost—to wit—History vindicates that in the sane judgment of mankind the Abyssinian debacle is more honorable and respectable than the Abyssinian surrender without resistance, plus the fact whether Italy's conquest of Abyssinia commensurated with its price in both material and spiritual ways.

I know quite well that modern warfare is not a matter of sentiment or patriotism but a product of technological capacity and industrial organization. Comparatively speaking, can Japan prove that she is absolutely invincible in that particular regard?—to say nothing about the rights and wrongs involved in the issue. Or is China so militarily helpless as to hand over her whole self to Japan intact? I also realize that prudence supersedes valor in this case but judging from the Sino-Japanese situation since Sept. 18, 1931 and from sound public opinions within the country and without it, there is no other alternative left for China to choose but resistance. Since most of the Fascist-minded countries like Germany, Italy and Japan are utilizing their Foreign Policies to unify and to pacify their internal agitations why should not China do the same thing to consolidate her unity recently achieved? Why should we let this inferiority complex and the careerist ambition of ours run rampant in the name of caution and patience at the expense of our national honor since we know definitely that Japan would not retreat a whit in her maritime expansionist program in the Far East and hence, eventually, why not now? Why could we not emulate the German conception of victory, to wit Germany sank all her battleships after their seizure by the Allied Countries at the close of the last World War. I certainly admire the courage of the author of this contributed article in saying that "with the exception of a few traitors who are seemingly willing to sell their country's rights for the proverbial mess of pottage"—which alone locates the sources of iniquity and which alone would gather up all the needed courage and wisdom for the doubting Thomas to action; because I would rather see China die like a man than to live as a coward.

I also disagree with the view as embodied in the said article regarding the possibility of Japan's fighting for the suppression of communism in China in case China loosens its grip on the situation because I know definitely that Japan does not have the valor and resources to fight two of its deadliest enemies: Russia, the author and finisher of that political faith, and China, successfully at the same time; so China does not have to feel more "alarmed than hurt" over that un-called for contingency.

I agree that China should take the initiative to call a Second World Conference on Pacific Affairs to be participated in by all nations, especially those nations bordering the Pacific or having huge interests therein for formulation of a Pacific Regional Pact, or conclusion of an international economic agreement for mutual assistance for the good of each and all, *via* non-aggression and non-recognition doctrines, because Far East, is no longer merely a Far East, but a world, problem.

Nanking, Feb. 18, 1937. S. Y. LIVINGSTON HU.

Japanese to Hold Industrial and Commercial Conference in Shanghai

The Japanese Industrial and Commercial Association in China will hold its conference in Shanghai on March 11. Representatives of Japanese industrialists and businessmen from Tientsin, Tsinan, Tsingtao and other places will proceed to Shanghai to attend the meeting in the early part of the next month.

Why I Gave Up My Foreign Name

BY PENG-YUN WANG

On reading Earl H. Leaf's interesting article on Chinese names for foreigners and foreign (English) names for Chinese under the title of "Roses by Other Names—Meet Mr. 'Blotch' and Mr. 'Louse-Napkin'" which appeared in the *China Weekly Review* on Feb. 6, there came to my mind immediately a number of questions on this subject and a lot of humorous experiences and funny examples both in China and in America. But, now instead of recalling them, I wish to relate my personal experiences.

When I was a tiny baby my Christian and more or less Americanized parents gave me a foreign name. At the time when I began my English lessons, I learned together with "dog" and "cat," "boy" and "girl" that my English name was "Philip." I was very proud of my foreign name and wrote "Philip" on all my books, exercise pads, pencil boxes, erasers and whatnot. When foreign teachers in our Missionary school addressed me by my foreign name I was quite flattered. In college (in China) my American professors and those returned-student-type professors all called me by my foreign name. It seemed to be natural and indeed very convenient for them to do so. In fact, my foreign name became more and more popular and even the "co-eds," who were rare creatures in China fifteen or sixteen years ago, called me "Philip" without my surname. I thought that was grand! I was even seriously considering of using "King" instead of "Wang" (王) for my surname, for "King" is the exact translation of (王). But, too bad, "King" had been taken by those whose surnames are Chin (金). I had to surrender to Mr. Chin, realizing that I was too late to achieve the "King."

In September, 1926, I landed in America as "Philip" Wang and registered in a University in Central New York. Everybody seemed to welcome my foreign name. It was really convenient. Members of the Cosmopolitan Club and some of my class-mates made my name more snappy by shortening it to "Phil."

But, still that didn't seem to be handy and convenient enough for the highly efficient Americans. Many of them suggested "Charlie" and some even insisted on calling me "Charlie" as a matter of fact. I remember on one Saturday afternoon I went down town and walked into a fashionable cafeteria. There was quite a line, and when it was my turn to order the man at the counter asked, "What you want, Charlie?" I was mad and furious and demanded, "How the hell do you know that my name is Charlie?" The man apologized and corrected himself, "I mean—what is your order, Sir?"

During my stay in America I was often asked by American students, to give autographs, especially by the "Co-eds." After I wrote down my foreign name in their books, they almost invariably asked, "Will you please also put down your name in Chinese?" Once a charming co-ed was still not quite satisfied with just my putting down my Chinese name and went one step further by asking me to explain to her the meaning of my name. This I did cheerfully in detail: "You see, Wang is my family name meaning King and Peng-yun (鵬雲) is my given name, the first character meaning a big bird and the second one meaning clouds, which together figuratively suggests lofty ideals, big ambition, bright future, etc." "Gee! That is lovely; I love things Oriental" she decided.

I began to be dubious about my foreign name. If I wanted to suit the convenience of the Americans I had to change my name to Charlie. But if every Chinese were named Charlie there would be more confusion. On the other hand, if the Chinese kept on using Chinese names it would be more interesting and we could very well satisfy the American's curiosity. This reasoning appeared flawless. I made up my mind and "abolished" my foreign name on Jan. 1, 1928.

However, I believe in meeting the foreigners half way. Instead of copying the examples of Lin Yutang or Dr. Chang Po-ling, I advocate the Western way, i.e., to put the family name last and the given name first. Dr. Chang po-ling once showed me a letter from America addressing him as "Dear Dr. Po-ling" and I imagine that Mr. Lin must have also received letters from his American admirers addressing him thus, "Dear Mr. Yutang."

To foreigners I have one advice: when you want to have a Chinese name consult a well-educated Chinese. Leaving the job of adopting a Chinese name to your office boy or No. 1 cook is a dangerous thing!

Tientsin, Feb. 14, 1937.

Famine in Honan Becomes Worse—Dying Masses Now Total 9,000,000

A message to Shanghai philanthropic organizations by General Liu Sze and General Shan Chen, Honan leaders, Feb. 22 confirmed the fact that the drought in Honan has assumed still more serious proportions. It was stated in this message that the dying masses in Honan now reach more than 9,000,000, with nine-tenths of the province affected, and that the seriousness of the drought was not only unprecedented in the history of China but also in that of the whole world.

CUSTOMS NOTIFICATION NO. 1564

In accordance with Government instructions the public is hereby notified that the following alterations in the Export (and Interport) Tariff Provisional Rules, which were published in Customs Notification No. 1249 of 24th October 1932, have been approved.

Rule 3. The first sentence has been changed to read—"The exporter, if dissatisfied with the decision of the Customs as to the value or classification of the goods to be exported, may, within 14 days from the date of issue by the Customs of the relative Duty Memo., file a protest in writing with Commissioner of Customs, setting forth specifically his objections thereto."

出口商對於海關所定價格或分類認爲不滿意時可於海關發給出口稅(或轉口稅)繳納證之日起十四日內用書面向稅務司提出抗議明白聲叙反對理由

Rule 4. The last sentence has been changed to read—"The final finding of the majority of the Board, which must be ratified by the Kuan-wu Shu, shall be binding."

此項議決案須呈經關務署批准後遵照施行

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th February 1937.

CUSTOMS NOTIFICATION NO. 1565

The public is hereby notified that the Government have approved the granting of import duty exemption to all nautical instruments classified under Import Tariff heading No. 630 and to all shipbuilding materials classified under Import Tariff heading No. 255 (b) when imported by dockyards in China, but that all shipbuilding materials or accessories classified under other Tariff headings will remain dutiable as heretofore.

As vessels which are imported by dockyards in China to be broken up are classified under Import Tariff Heading No. 255 (b), they will in future be exempt from duty.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 22nd February 1937.

British Parliament Votes £400,000,000 Loan for Armaments

Despite Labor and Liberal opposition, the British House of Commons Feb. 18, carried by a substantial majority—329 votes to 145—the Government's resolution seeking authorization to raise a loan of £400,000,000 to build up Great Britain's fighting strength. The sole object of the expenditure, Mr. Baldwin re-emphasized in his speech, was to bring up the forces of the country to the standard necessary to ensure the safety of Britain and the Empire and to "enable us to play a part in securing the peace of the world."

The decision of the British Government to raise this huge sum for defense purposes is in line with recent policy to strengthen its defenses both at Singapore and Hongkong.

Secret Fortifications to Be Built at Hongkong

The military authorities at Hongkong Feb. 18 announced the impending construction of secret fortifications on Stanley Peninsula, Hongkong Island, for which purpose they are closing to the public approximately two square miles of land. The date of commencement of the program has not yet been disclosed, but tenders are already being called for the construction of large barracks costing £120,000. Although the military authorities are not inclined to discuss details at present, it is understood that formidable anti-aircraft defences are included in the scheme.

At Stanley Peninsula are located the beaches which provide one of Hongkong's island bathing resorts. Within a few weeks, the Hongkong *Telegraph* states, the land will be proclaimed a prohibited area, and civilians will not be allowed access except with the necessary permits. Tenders have already been called for the construction of large self-contained barracks, the cost of which, it is unofficially estimated, will exceed $1,000,000.

Germany Building Merchant Ships for Turkey

A telegram from Istanbul, Feb. 18, stated that Germany has contracted to build 14 merchant ships for Turkey at a cost of 10,000,000 Turkish pounds. The sum will be payable through a clearing agreement.

Soviets Propose Calling of New Naval Conference

Soviet Russia has proposed to Great Britain the calling of a new naval conference to achieve a joint treaty of European nations for exchange of building information, limitation of size and gun calibre of all warships, it was learned.

Japanese Correspondent Says Britain's Defense Scheme Means End of Friendship with Japan

Britain's defense plan has as its guiding principle the abandonment of the traditional policy of friendship towards Japan, the London correspondent of the *Tokyo Yomiuri* reported Feb. 19. The *Yomiuri* message caused a major sensation in the political circles in Japan as it also asserted that the defense plan aims at the strengthening of Anglo-American co-operation, permitting the two powers to pursue a joint policy in the Pacific.

The suggestions of the *Yomiuri* correspondent were flouted in British official circles Feb. 20 as "ridiculous."

In view of this Japanese outburst it will be pertinent to recall the fact that when questioned in the House of Commons Jan. 21 about Sir F. Leith Ross' visits to Tokyo last year, Under Secretary of State Cranborne replied that Sir Frederick's two visits to Tokyo had afforded a very useful opportunity for an exchange of views on financial and conomic questions of common interest to the United Kingdom and Japan, but Sir Frederick was not commissioned to negotiate any particular points and did not in fact couclude any agreement.

On the same date Sir Frederick in an interview commented on the statement of Japan's foreign policy which had just been made by the then Foreiбn Minister, Mr. Arita, that the two most important parts of the speech, were Mr. Arita's marked efforts to explain away the Pact against Communism between Japan and Germany and his allusions to Japan's desire for closer relations with the countries in the South Seas.

Italy to Call Up One Million Conscripts

Italy's first response to Great Britain's rearmament has taken the form of ordering five classes of conscripts, totalling 1,000,000 men born from 1900 to 1904, to report at depots on dates which will be announced later. The object is to test the speed and efficiency of Italy's mobilization plans. If no reason has arisen for keeping the men mobilized they will be sent back to their homes after reporting.

The Fascist Grand Council, which is to meet on March 1 to consider the military situation, will, it is understood, decide on further all-round rearmament in Italy, especially in the air force.

American Fleet Maneuvers in North Pacific Will Commence April 16

The entire United States fleet, comprising approximately 200 combat vessels, will hold its annual maneuvers in the north Pacific commencing on April 16. The maneuvers will take place in a triangle 2,000,000 miles square, the apex of which will be the Aleutian Islands, the west corner at Midway Island and east corner at a point along the Pacific Coast of the mainland. The "war games" will require six weeks to complete.

Vessels of the fleet will depart from San Diego and San Pedro, sweeping fan-wise, and penetrating as far as the 180th meridian, which will not be crossed, in view of the "gentlemen's agreement" between Japan and the United States. The agreement, which is an unwritten one, calls for observance of the line as the boundary for each nation's war games.

Survey of U.S. Dockyards to Be Instituted So as to Maintain Parity with Britain

A telegram from Washington Feb. 20 stated that a survey of American dockyards, both naval and private, is planned by Charles Edison, Assistant Secretary of the Navy, against a possible decision of the Government to build the United States Navy up to the new level of the British Navy.

Shanghai "Mainichi" Says Japan and China Must Eventually "Embrace Each Other"

The Shanghai *Mainichi* commented:—"The aim of Great Britain is, of course, to maintain her superiority over Germany and Italy, but it is also evident that Britain intends to adopt an active policy in the Pacific. The British arms program will call forth a corresponding program in the U.S.A. and this endless competition in arms will destroy the existing equilibrium in the Pacific and affect peace in the Far East . . . During the past few years, Britain has failed to understand Japan's role as the principal force for the maintenance of peace in the Far East and this caused an unhappy impression in Japan. Britain's China policy, on the other hand, envisages not merely the acquisition of a market for British products and this explains why Britain has so viciously and skillfully utilized all conflicts between China and Japan. But Britain is very short-sighted. She fails to understand that the existing state of Sino-Japanese relations is only temporary and that finally China and Japan will be obliged to embrace each other."

George Washington's Birthday Is Celebrated in Shanghai

The birthday of George Washington, the First President of the United States, was observed by the American community in Shanghai Feb. 22 in a manner befitting the occasion, although it was decided to forego the usual Washington Ball this year. Nomad Oasis, the Shrine Club of Shanghai, held a Washington Birthday dinner and dance at the Cathay Hotel ballroom Feb. 20, at which more than 300 members and friends participated. The Fourth U. S. Marines Band gave a special musical program at the weekly religious service at the Grand Theater on Sunday. The American University Club gave a tea dance in the International Club on Monday. The American School, after paying homage to the "Father of his Country" at assemblies last week, observed the day as a holiday, as did the U. S. Court for China and the American Consulate General.

The Shanghai Chapter of the Daughters of the American Revolution held their annual Washington's Birthday Dinner, Feb. 22, in the dining-hall of the Shanghai American School, 10 Avenue Petain. Among the guests of the evening were Dr. Anne Walter Fearn, Dr. H. H. Welles, Dr. Gordon Poteat, the speaker of the evening, and Mrs. Poteat. Dr. Poteat spoke on "The American Tradition." He said the country needed more men of the type of George Washington.

Keelung Incident with British Mentioned in Tokyo Lower House

The incident at Keelung, Formosa, on October 7, when three British sailors are alleged to have been manhandled by Japanese police and a British officer insulted, was mentioned in the Japanese Lower House Feb. 22 when a member of the Seiyukai Party drew attention to the necessity of protecting "personal rights." In reply, the Vice-Minister for Foreign Affairs declared that the Japanese authorities had completed a full investigation into the Keelung affair and found no evidence to support the British allegations. Negotiations, he added, were still in progress, and the Foreign Office was striving to reach an amicable settlement.

One of results of the incident, it may be recalled, was that Vice-Admiral Sir Charles Little, Commander-in-Chief of the China station, cancelled his projected courtesy visit to Japan.

Memory of Lieut. "Bob" Short Honored by Ceremony at Tomb

On the occasion of the fifth anniversary of the death of Lieut. Robert ("Bob") Short, 27-year old American aviator, a native of the stat of Washington, who was killed in aerial combat at Soochow during the 1932 Sino-Japanese hostilities, a memorial service was held at Hungjao (Shanghai airport) Feb. 21 when wreaths were presented by delegates of several local public bodies in front of his tomb. Wreaths were also offered in front of the tomb of Lieut. Husng Yuang Yueh-chuan, who also died during the Sino-Japanese war in Shanghai.

FINANCE MINISTER YUKI ADMITS HE CANNOT FORESEE FUTURE OF JAPAN'S FINANCES

(*Continued from page* 446)

Japan to Buy 180,000 Tons of Pig Iron from U.S.

Bringing to a total of 180,000 tons the purchases of American pig iron contracted for by the Japan Iron Manufacturing Co., a new deal providing for the delivery of 30,000 tons during the latter half of the year was concluded Feb. 18.

Kadono to Head Mission to Britain and the United States

Chokuro Kadono, the guiding genius of the vast Okura interests, Feb. 18 agreed to head an economic mission to Great Britain and the United States. Mr. Kadono's appointment was recommended to Gen. Hayashi by Baron Goh, President of the Japan Economic Federation and the "dean" of Japanese business and industry.

Japan Trade Mission to Visit Latin-American Countries

In an effort to stimulate Japan's foreign trade, the Tokyo Chamber of Commerce and Industry Feb. 20 decided to send an industrial mission to Italy and the states of Central and South America. The group, comprising about ten leading businessmen, will carry with them films depicting the progress of the heavy and chemical industries in the country. The mission will be the third to leave Japan for foreign countries this year. Two other groups will be dispatched to China and to the United States and Great Britain.

141 Ships Under Construction in Japan at Present

The number of ships exceeding 1,000 tons under construction in or planned in Japan at present reaches 141, with a total displacement of 883,200 tons, *Domei* stated Feb. 18.

Kuwajima to Visit Netherlands Indies

Kazue Kuwajima, who was appointed Japanese Minister to the Hague late last year, will leave Tokyo on Feb. 28 for a two-months trip of the Netherlands Indies.

Japanese Steel Firms Reach Deadlock in Effort to Agree on Common Agency

Although confronted by a serious "famine" of steel and iron, the three major metal manufacturing concerns of Japan and Manchukuo failed Feb. 17 to reach agreement on the formation of a common agency to control imports into Japan.

Cardinal Denis Dougherty Visits Meiji Shrine in Tokyo

Following an audience with Emperor Hirohito Feb 18, Denis Cardinal Dougherty, Papal Legate to the recent Manila Eucharistic Congress, visited Meiji Shrine in Tokyo. His action was held as highly significant as it sanctioned the visiting of shrines by Catholics under the interpretation that such was merely "an act of patriotism" and not "an act of worship to pagan gods." This question has long agitated Japanese Catholic circles. Catholic institutions have balked at the requirements that students must pay seasonal visits to major shrines on the grounds that they could not compel converts to worship pagan gods. The issue now appears to have been quietly settled by the action of Cardinal Dougherty.

Archbishop Mitty Approves Japan's Stand Against Communism

Archbishop John Mitty of San Francisco, who headed the American delegation to the Thirty-Third International Eucharist Congress in Manila, in the course of a broadcast from Tokyo Feb. 17 relayed to Hawaii and the Pacific Coast of the United States, said "All those who have the world's peace at heart will indeed welcome the firm and unequivocal stand taken by the Japanese Government against Communism."

"Communism," Archbishop Mitty declared, "strikes at the very heart of human society; it takes away the rights of individuals; it destroys family life; it threatens national existence. Time and again Pope Pius XI denounced this common enemy of the human race and has striven to arouse individuals and nations to a realization of the peril facing humanity."

Japanese War Minister Says Japan Has No Territorial Designs in China

Japan holds "not the slightest territorial designs upon China," Gen. Gen Sugiyama, Minister of War, said in an authoritative resume of Nippon's "continental policy" in Tokyo Feb. 22. We have no such thing as a continental policy," the Minister of War declared in reply to a Seiyukai representative.

"There are, however, two points which the Army contantly keeps in mind. These are:

"Co-operation in the healthy development of Manchukuo; and Economic and cultural co-operation with China on the premise that Sino-Japanese relations are breakable."

In the United States Court for China

In re.
Estate
of
FRANCIS F. STANLEY,
Deceased

Cause No. 4141
Special Proceedings
No. 2020
NOTICE
Filed at Shanghai, China,
January 30, 1937.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of FRANCIS F. STANLEY, deceased, to present the same with vouchers to the undersigned on or before August 6th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. A. Reed, Administrator
c/o U. S. Court for China,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
the LAST WILL AND
TESTAMENT
of
HELEN STEINACHER,
Deceased.

Cause No. 4133
Special Proceedings
No. 2012
NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of HELEN STEINACHER, deceased, to present the same with vouchers to the undersigned on or before August 6th, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

W. C. Watson

c/o Franklin & Harrington,
149 Yuen Ming Yuen Road,
Shanghai, China.

Further Evidences of Japan's Economic Ascendancy in Tientsin

Central News says Japan's economic ascedancy in Tientsin is witnessed by her new projects for promoting the cotton, paper, gas and motor industries with Japanese interests. Further strengthening her monopoly of the cotton industry in the port city, a new Japanese cotton mill, the Yu Fong Cotton Mill, will soon be established with a capital of $5,500,000. After the inauguration of this No. 1 mill, its No. 2 and No. 3 mills will be constructed. A big paper mill is also being planned by Japanese interests with a capital of $5,000,000. Construction work will be started in April. A gas factory will likewise be established by Japanese interests. The total capital of the factory has been fixed at $1,200,000, of which about one-fourth has been paid up at present. Its site has been fixed at Haikuangssu near the Japanese Concession.

Japanese Invest $17,000,000 in Tientsin Enterprises

Japanese capital totalling $17,000,000 has been invested in enterprises in Tientsin since the autumn of 1935, according to an investigation conducted by the Inspection Department of the Shanghai *Mainichi*. This sum does not include Japanese investments in existing Chinese concerns.

Japanese Plan Control of Flour Industry in North China

In view of the high price of flour in North China, certain Japanese interests have decided to build a flour mill in Tientsin with a capital of $10,000,000. This factory is expected to produce enough flour to meet the demands of the people in Hopei, Shantung, Chahar and Suiyuan provinces.

Japanese Textile Millowners' Body to Have Tientsin Branch

With the rapid expansion of the Japanase-owned textile industry in Tientsin, the Japanese Cotton Mill-owners Association in China has decided to open a branch in the North China city.

Japanese to Open Hospital and Medical College in Tientsin

The Japanese authorities have decided to open a hospital and a medical college in Tientsin. The hospital and college will be given an appropriation of $2,000,000 and will send 50 medical students to study in Japan every year.

Japanese Now Frown Upon Economic Co-operation in North China

As a result of the new policy adopted by the new Japanese Cabinet, the Japanese in Tientsin have relaxed their efforts in pushing forward their plans of Sino-Japanese economic co-operation in North China, according to the *Sin Wen Pao*, Feb. 18. All plans for the construction of the Tientsin-Shihchaichwang Railway and the Tangku Harbor and the exploitation of the Lungyen Iron Mines have been abandoned pending further instructions from the Japanese Government.

Anti-Smuggling Drive Being Pushed in Hopei and Shantung

To check the further influx of contraband goods into the interior of Hopei and Shantung, the Ministry of Finance, has decided to open inland inspection offices at strategic centers of the two provinces, particularly along the Tientsin-Pukow Railway. Li Tung-hwa, deputy director of the Anti-Smuggling Bureau, will being charge of these offices.

Seven Carloads of Smuggled Goods Seized

Seven carloads of illicit artifical silk and cigaratte paper were seized at Tientsin by preventive officers of the Tientsin Customs Feb. 15.

1,000,000 Tons of Contraband Stored in North China

Central News says that approximately 1,000,000 tons of contraband goods, have been stored up at Chinwangtao, Peitaiho, and Changli since last year. Because the inland waterways are icebound, the contrabands are being shipped to the interior of North China by truck via Tientsin.

British Freemasons Said Investigating Smuggling Problem in North

A Tientsin dispatch dated Feb. 16 in the Shanghai *Nippo* stated that, making use of the protection afforded by the semi-religious orders to which they belong, members of Masonic lodges in Tientsin are engaged in an active investigation of the trade in contraband which is flowing from the area under control of the East Hopei Autonomous Government. The investigation, it was stated, is apparently being directed by the British Chamber of Commerce there.

Six Japanese Ronin Arrested in Tientsin

Six Japanese ronin were arrested in the French Concession of Tientsin Feb. 21 by police on charge of seizing smuggled goods detained by the local Customs administration. On the previous evening, 16 bales of artificial silk, discovered at the railway station, were seized and taken to a godown in the French Concession. A gang of Japanese together with some Chinese mounted several trucks and rushed to the godown the next morning. After smashing the doors and windows they carried away the seized artificial silk.

New S.M.R. Subsidiary Will Transport Changlu Salt

Plans for the creation of a subsidiary tug and lighter company by the Hsing Chung Kungssu, to facilitate the transportation of Changlu salt to Japan, were revealed in Tokyo Feb. 18 by Shinji Sogo, President of the Japanese concern operating in North China. The new concern will be capitalized at Yen 3,000,000, of which 60 per cent will be contributed by the Hsing Chung Kungssu, and the remainder in equal shares by the Dairen Kisen Kaisha and the Kokusai Unyu Kaisha, or the International Express Company. All the three firms are subsidiaries of the South Manchuria Railway Company.

Chiuta Salt Company Removes Office to Shanghai

The Chiuta Salt Company, formerly known as the Chiuta Refined Salt Company, has removed its head office from Tientsin to Shanghai. The move is attributed to the unsatisfactory conditions now prevailing in Tientsin.

Japanese to Open Salt Fields in Vicinity of Tientsin

Central News stated Feb. 22 that as a result of its failure to renew the Salt Purchasing Contract with the Changlu Salt Administration, the Japanese Hsing Chung Company is planning to open salt fields in the vicinity of Tientsin and Tangku.

Japanese Residents Request Reduction of Japanese Troops in North China

As the presence of large numbers of Japanese soldiers has greatly affected their business, the Japanese residents in Tientsin have petitioned Gen. Hayashi, Premier in the Japanese Government, to reduce the number, according to the *Shun Pao*, Feb. 18. The Japanese residents of the city point out that the presence of the Japanese troops has created an atmosphere of political instability which in turn affects the economic prosperity of the city.

Japanese Consulate at Tientsin to Establish Broadcast Station

The Japanese Consulate General at Tientsin has decided to establish a broadcast station. The *Shun Pao* says the station will receive and send out information concerning Japanese activities in various parts of China.

Japanese Build Barracks at Fengtai in Spite of Chinese Protest

In spite of the protests of the Chinese authorities, the Japanese are proceeding with the construction of the new military barracks at Fengtai, an important railway junction on the Peiping-Mukden and Peiping-Hankow lines. The barracks, when completed, will be able to accommodate 300 soldiers.

British-American Delegation Protests to Tientsin Commissioner Against Smuggling

A delegation from the British and American Chambers of Commerce called on W. R. Myers, Commissioner of the Tientsin Customs, Feb. 17 and requested that effective measures be adopted for the suppression of smuggling with a view to protecting the interests of legitimate commerce. The Tientsin Custom House has decided to establish inspection offices at Taku and on the outskirts of Tientsin in order to curb the smuggling. Most of the contraband smuggled into Tientsin lately consists of wine, sugar, sea products and rayon.

The Ideal Aperient For Children.

Irregularity of the bowels is a common complaint among young children in the East. Precautions should be promptly taken to correct the trouble, but if it is neglected serious consequences may result.

The stomach and bowels should be cleansed, for which purpose there is nothing better than Baby's Own Tablets. The mild laxative action of the tablets removes any offending substance from the intestines and almost surely it will be found that the child is made quickly well again.

Keep this ideal children's medicine handy for use in cases of health upset in little children, such as constipation, 'wind', indigestion, biliousness, colds and croup. If the presence of worms is suspected a dose or two of the tablets will expel them, whilst at teething time the tablets settle the stomach, ease the pains and induce sleep in a perfectly natural way.

Safe and effective, being the prescription of a medical child specialist, children never make a fuss when taking them as the tablets have a pleasant taste. They are obtainable from chemists everywhere and are equally good for the infant in arms as for older children.

Baby's Own Tablets.

Who's Who in China

Liang Yiu-ming, painter, sculptor and photographer; born in Kwangtung, 1906; received his early education in the Shanghai Public School for Chinese; returned to Canton to participate in the Revolution of 1926 when the Northern Punitive Expedition under the command of Generalissimo Chiang Kai-shek was about to be launched, has devoted his entire energy and time to painting for dissemination of revolutionary thoughts along the lines as laid down in the late Dr. Sun Yat-sen's "Three People's Principles" for the past ten years, during which he had held posts as editor-in-chief of the Pictorial Periodical of the Whampoa Military Academy, Canton, the Central Military Academy, Nanking, and the Central Publicity Committee of the Central Kuomintang Headquarters, as a member of the Arts Propaganda Committee attached to the Generalissimo's Headquarters and as chief of the Arts Section of the Second Department of the Generalissimo's Headquarters; editor of the *Wen Hua*, a noted Chinese pictorial monthly in Shanghai; Director of the International News Photo Service, Nanking, since October, 1936; learned his arts in early youth from his elder brother, Liang Ting-ming, a noted painter in China; from 1930-36 he devoted much of his time to assist his brother in completing the historic oil painting, "The War at Waichow," 70 feet long and 20 feet wide, the largest in the Far East, involving an expenditure amounting to more than $30,000, in addition to three other war pictures of smaller size and five models showing the postures of the Nationalist troops; at present all these pictures are carefully kept at the War Picture Studio in Lingkutze, Nanking; painted a series of pictures, in two volumes, depicting the aggressive actions of Japan towards China a few years ago and a map presenting a bird's-eye view of Japan's aggressions on China; many other paintings have appeared in various leading Chinese papers; address: International News Photo Service, 199 Chung Shan Road North, Nanking.

梁又銘
Liang Yiu-ming

梁又銘，粵籍，生於民國紀元前五年，曾在上海華童公學肄業，後承其兄上海名畫家梁鼎銘指導，因之精研繪畫彫塑及攝影，民國十五年回粵參加革命工作，時值蔣委員長率師北伐，梁氏任黃埔軍官學校及總司令部擔任繪製革命宣傳圖畫，爲中國藝術家參加革命工作之前輩，北伐軍抵定南京，梁氏來京任總司令部及軍官團警衛師分任宣傳委員及各革命書報主任編輯，並參加製造新兵器之迷彩等，十八年被聘爲中國國民黨中央黨部中央畫刊主編，兼受第二剿匪宣傳處藝術股長，其所製作之畫，均爲後來革命宣傳畫之鉅本，民國十九年復助其兄費六年之時間，數萬元之經費，爲政府繪成遠東最大之歷史油畫「惠州之役」，長七十尺高二十尺，此外並繪成較小之三幅，並塑成軍士作戰模型數座，現均存於南京靈谷寺戰畫室，其他著作，迭見於各大畫報刊物，二十五年十月受中央任命爲國際新聞攝影社社長。

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Shanghai. Tel. 33627

Men and Events

The Shanghai Municipal Council has granted the Shanghai Gas Company permission to raise rates five percent from April 1 next.

Charles L. Smith has been elected President of the American Chamber of Commerce in Tientsin, succeeding the late L. O. McGowan.

R. Lock was elected President of the Society of Chartered Accountants at the annual general meeting held at the Shanghai Club last week.

Dr. George Sellett, American attorney and liquidator of the American-Oriental Bank and other Raven properties, went to Nanking on a business trip this week.

Miss Ruth Elizabeth Gregg, daughter of a retired American colonel of Los Angeles, was found dead of lysol poisoning in her hotel room in Hongkong on the night of Feb. 20.

Dr. T. Z. Koo, Secretary of the World's Students' Christian Federation which has its headquarters in Geneva, and Mrs. Koo departed from Shanghai this week for Australia and New Zealand.

The National Education Film Association has completed 12 new educational pictures on biology, physics and chemistry which will be shown in various middle schools in cities along the Nanking-Shanghai Railway.

Celebrating the first anniversary of its founding, the International Press Club of Tientsin held a Chinese dinner and dance at the Paris Cabaret on the night of Feb. 17. More than 90 members and their guests attended.

Dr. G. F. Bume, Austrian physician born in Tsingtao where his father was engaged in business, committed suicide in his apartments in the Broadway Mansions, Shanghai, Feb. 19, by shooting himself in the head.

Roy G. Allman, member of the American bar in Shanghai, announces that he has opened his own law office at 205 Hamilton House for the general practice of law, specializing in trade-marks in China and Manchukuo.

Christopher Reisner, representiatve of the *Ubersee-Post*, Leipzig, Germany, has arrived in Shanghai following a tour of North China and plans to remain here for several months. Mr. Reisner is residing at 175 Kiaochow Road.

A gang of Chinese robbers is being hunted by the Manila police following the arrest recently of a 12-year-old Chinese girl named Lim Tan Hua in the act of breaking into a town jewelry store in the Philippines capital.

The Hunan postal authorities are now using motor trucks to convey light mails and parcels between Hunan and Kweichow owing to the infrequent and irregular shipping services on the Upper Yangtze due to the low water level.

The population of Tientsin for January was 1,080,592 and the number of households 226,931, according to official statistics released this week. The figure represents a decrease of 488 persons as against the December population.

International friendship note from the advertising columns of the *North-China Daily News*: "Chinese gentleman wishes to meet a young Japanese lady for friendship and learning Japanese language. Address Post office Box 11.

The death occurred in Shanghai Feb. 23, at the age of 32, from blood poisoning, of Elton Colt, manager in the Far East for the California Ink Co., Inc. He had been ill for four days. The poisoning had its origin in a small pimple on his upper lip.

Dr. C. T. Wang, Chinese Ambassador designate to the United Siates, is leaving for Washington, D.C., sometime during the middle of next month, according to Liu Yun-fang, secretary to the Chinese envoy.

Damage variously estimated between $300,000 and $400,000 was done early in the morning of Feb. 20 by a fire which completely destroyed one of the godowns in Hankow of Arnhold and Co., Ltd. The godown contained stocks of wood-oil in drums.

Chu Yung-chung, Assistant Manager of the Bank of Communications and Miss Chen Shou-shih, niece of General Chen Yi, Chairman of the Fukien Provincial Government were married in Shanghai Feb. 24. Wang I-ting, well-known philanthropist, officiated.

Reports that Mr. Bogomolov, Soviet Ambassador to China, has been detained in connection with the recent Moscow Trial were flatly denied by Mr. Saratovtsev, Head of the Information Department of the Soviet Embassy, in an interview in Shanghai Feb. 23.

Mrs. R. T. Bourke, wife of Lieut. Bourke of the U. S. S. *Panay*, arrived in Shanghai this week for a visit of three weeks prior to rejoining her husband at Hankow. She is accompanied by their two sons and they are residing at the Clements Apartments on Rue Lafayette.

Miss Louise Shoup, member of the faculty of Ginling College, Nanking, came to Shanghai this week to meet her mother Mrs. Paul Shoup, who was a passenger on the *President Hoover* and plans to spend several weeks in travel in the Far East. Mrs. Shoup is staying at the Park Hotel.

A branch of the Navigation Association of the Military Communications Society, of which General Chiang Kai-shek, is Chairman, was formally inaugurated in Shanghai Feb. 22. J. K. Choy, General Manager of the China Merchants Steam Navigation Company, presided over the inaugural ceremony.

The moot question of rendition of foreign pilotage rights in Chinese waters was brought up again Feb. 18 when the newly organized National Seamen's Association petitioned to the Ministry of Communications asking for the immediate abrogation of the rights enjoyed by foreigners.

Donald Commer, president of the Avondale cotton mills in Alabama, who was a member of the U. S. cotton mission in Japan recently, passed through Shanghai this week enroute to the Philippines. While here Mr. Commer visited some of the Chinese, British and Japanese cotton mills in Shanghai.

On the night of Feb. 20 while the city was experiencing a heavy snow storm, a serious riot was staged by the inmates of the jail at Chengchow, Honan Province, during the course of which 84 prisoners made their escape. Twenty of these were later recaptured. One prisoner was killed in the riot.

A sum of $70,000 has been donated by General Chiang Kai-shek, President of the Military Affairs Commission, for the rebuilding of the Hsiangshanssu (monastery) at Lungmen, near Loyang, western Honan. The work will be carried out under the supervision of the Honan Provincial Department of Reconstruction.

The plant of a counterfeit banknote gang in Tientsin is reported to have been moved from Tientsin to Shanghai this week. The Tientsin City government has sent a telegram to the City Government of Greater Shanghai authorities requesting them to be on the lookout for a shipment of counterfeit notes which has been sent south.

A Sino-Siamese Association will be formed some time next month, preparations to this effect having been completed, according to Hsu Ke-ting, member of the Chinese Chamber of Commerce in Siam. A Chinese Native Goods Corporation will also shortly be established in Siam to develop the native goods trade there.

Word was received in Shanghai on Feb. 8 of the appointment of E. M. Roberts as Vice-President and General Manager of the RCA Victor Company of China. Mr. Roberts has acted as Assistant Treasurer of his firm since his arrival last October, and in addition to being actively in charge of the office now, will also retain his former duties.

Ernest B. Price, formerly connected with the U. S. Consular Service in China and later engaged in business, is now serving as Director of International House, Chicago. Mr. Price departed from China in 1930. Mr. Price recently lectured before the Foreign Policy Association at Cincinnatti, Ohio on the subject, "Can China Survive ?"

Altogether 46 foreign residents in Nanking have acquired Chinese citizenship during the past eight years, according to a report released by the Nanking Bureau of Social Welfare Feb. 17. Of the 46 foreigners, twelve were Koreans, ten Japanese, ten Germans, four White Russians, four Americans, three Indians, one Dutch, one Belgian and one Briton.

The balance sheet of the Hongkong & Shanghai Banking Corporation for the year ending Dec. 31, 1936, shows that the net profits for the year, together with $3,327,060.03, balance brought forward from last account, after paying all charges, deducting interest paid and due, and making provision for bad and doubtful accounts and contingencies, amounted to $18,434,235.22.

The premises of the American Southern Baptist Mission at Kweilin were occupied by 200 military students Feb. 15 despite the refusal of missionaries to provide accommodation for the soldiers, reports reaching Hongkong Feb. 15 from Kweilin asserted. The missionaries referred the matter to the United States Consulate-General at Canton.

To take care of the great number of Chinese emigrants who have been driven to their homes in Fukien either by the depression or other circumstances, from various foreign countries, the Chinese Overseas Affairs Bureau in Foochow is planning to mark out a large tract of land in Amoy where they will be given subsidies in farming and reclaiming uncultivated lands.

K. P. Chen, General Manager of the Shanghai Commercial and Savings Bank, has been elected Honorary President of the Yangtsze Famine Relief Advisory Council. Dr. Wu Lien-teh, director of the National Quarantine Service, and Dr. Y. Y. Tsu, professor of sociology of St. John's University, have been named president and vice-president of the Council.

Third-degree methods should not be used in the questioning of suspects in Chekiang, according to an order issued last week by Dr. Chu Chia-hua, the provincial chairman. Although the infliction of torture on suspects by judicial authorities has long been tabooed by the National Government, such methods are still being practiced in several districts in the province, Dr. Chu stated.

Judgment for the sum of $270, with costs, was given by Judge Helmick in the U.S. Consular Court Feb. 7 against W. K. Grove, in favor of Tang Cheng-hook. The claim was on a promissory note signed by the defendant, and issued in favor of the United Trust Society. Later, after the promissory note had matured, it was endorsed by the company to the plaintiff, Tang Cheng-hook. Judge Helmick ruled that although the plaintiff was not a holder in due course, since he took over the promissory note after maturity, yet he was a holder for value within the meaning of the negotiable instruments law of the Code of the District of Columbia. The attempted defence that the defendant was merely an accommodation maker would not, therefore, avail against a holder for value, even though he was not a holder in due course, and judgment would therefore be entered for the plaintiff.

The *China Times* Feb. 19 stated that T. V. Soong, chairman of the Board of Directors of the Bank of China, will proceed to Szechuan in the middle of March. In Chungking Mr. Soong will attend the ceremony which is to mark commencement of the construction of the Chungking-Chengtu Railway.

Mei Lan-fang and his troupe of actors, who are giving a series of performances at the Ta Hua Theatre in Nanking must pay Income Tax, according to a communication from the Income Tax Office of the Ministry of Finance. It is stated that he will be the first actor to make an income tax payment.

Angier Biddle Duke, one of the heirs of the Duke tobacco fortune, arrived in Japan last week with his bride, the former Miss P. St. George, who is a second cousin of President Roosevelt. After spending a fortnight in Japan they will continue on their round-the-world tour. In Indo-China they expect to participate in a wild game hunt.

Dr. Roscoe Pound, who recently retired as dean of the Law School of Harvard University, accompanied by Mrs. Pound, arrived in Shanghai this week in the course of a round-the-world tour. While in Japan he delivered a lecture at the Tokyo Imperial University. Among the addresses he made in Shanghai was one to the American Bar Association at the American Club.

W. H. K. Campbell, rural credit expert attached to the National Economic Council, and Tsou Jun-ching, expert member of the Council, inspected the rural villages and water conservancy work in the outskirts of Canton Feb. 18. They were accompanied by Ling Tao-yang, Director of the Agricultural and Afforestation Bureau, and Yang Hua-jih, Director of the Water Conservancy Bureau.

Sixteen nurses were graduated from the Shanghai Union School of Nursing at the Margaret Williamson Hospital during graduation exercises held at the hospital in Nantao Feb. 19. The exercises were presided over by Mrs. C. C. Chen, Chairman of the Board of Directors, who presented the school diplomas. The diplomas of the Nurses' Association of China were presented by Miss Evelyn Lin, President of the association.

The Shanghai Municipal Council last week decided to postpone the cancellation of licenses for rischas with the object of reducing their numbers until June 1 next, on the understanding that before June 1, 1937, the Owners' Association will hand to the Secretary of the Council a list containing the numbers of 484 public ricshas the licenses of which it is agreed shall be cancelled on June 1.

The Tientsin *Evening Post*, a new afternoon daily newspaper being published by Thomas H. Liang, has become firmly entrenched as part of the city's newspaper business during the past month. It is advertised as a "Chinese National Newspaper" in the English language, and is served by *United Press*, *Central News*, *Domei*, and *Havas* news services. The editor is Charles L. Gabb, formerly connected with several Shanghai newspapers.

The Canadian Pacific liner *Empress of Russia*, while in charge of a Japanese pilot in the Shimonseki Straits, was alleged by Japanese authorities to have rammed a tramp steamer the *Akashi Maru*, at 3.44 a.m. Feb. 15. The latter boat sank, but no lives were lost. When the ship arrived at Kobe the Japanese police authorities conducted an enquiry and at first threatened to hold the liner. However, the *Russia* was allowed to sail for Vancouver on schedule time Feb. 17.

The annual meeting of the Shanghai American Chamber of Commerce was scheduled to be held at the American Club on Feb. 25. The business before the meeting including the election of fifteen directors and the passing of by-laws, recognizing the standing of the American Junior Chamber of Commerce, clarifying membership classifications, etc.; and transact other annual business. A disscussion was also scheduled on the topic, "Shall the Chamber hold monthly open forums?"

Commissioned by the Foreign Office of Siam to inspect the conditions of the Siamese consulates in Japan, Chune Pinthanon, a prominent political leader in Siam, passed through Shanghai Feb. 22 on the French steamer *Felix Roussel*. The visitor was greeted by Chow Chueh, Director of the Shanghai Office of the Waichiaopu, Yu Ming, representative of the Ministry of Foreign Affairs, and Lin Kang-hou, Chairman of the Chinese Bankers' Association and leader of the Chinese Trade Mission to Siam. A dinner was given in Mr. Pinthanon's honor by the members of the Chinese Trade Mission to Siam at the Park Hotel.

Reginald Sweetland, correspondent for the *Chicago Daily News*, who has been in Europe for several years is returning to the Far East. Mr. and Mrs. Sweetland were scheduled to sail from Italy the latter part of the present month. Frank Smothers, correspondent for the *Daily News* in the Far East, who has been stationed in Peiping but previously resided in Shanghai, will return with Mrs. Smothers and their children to Chicago and later will proceed to Europe. Mr. Sweetland left China in 1934 and after a year in Tokyo went to Chicago for a few months. He then took over the Vienna post and traveled extensively in Central Europe and the Balkans. In 1935 he took over the post at Rome during the Abyssinian war and later covered Spain and Portugal in connection with the Spanish civil war.

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New Books of Interest in the Far East

The Flight of the Empress Dowager of China

The Flight of an Empress, Told by Wu Yung, Transcribed by Liu K'un, Translated and edited by Ida Pruitt. Introduction by Kenneth Scott Latourette. New Haven. Yale University Press. 1936.

Without hesitation, this reviewer awards to "The Flight of an Empress" the book-of-the-year title for 1936, because it is an exquisitely beautiful tale and a narrative of unusual and lasting historical interest.

The book depicts the flight of Empress Tz' Hsi from Peking immediately after its capture by foreign troops from the Boxers in 1900. But the Empress remains in the background as the reader involuntarily focuses his attention upon the story-teller, Wu Yung, a young magistrate, whose fortune it was to accompany the Empress on her arduous trip to Sian and back to the Capital.

With winning directness, Wu introduces himself in the opening paragraph of the book. "In 1897," he says, "I was appointed district magistrate of Huai-lai and in the ninth month of the following year I entered office. At that time I was very young. I worked faithfully and with my whole heart. After two years I had changed many things in the place. My chief purpose was to do away with the wicked and enable the good to live in peace. Because of this the gentlemen of the place and the people all were well disposed toward me, and were as the bones and flesh of my body. If I sent out an order in the morning it was done by night. Therefore, although I was in a small place, I was not willing to leave and go elsewhere. So that at the time of the Boxer trouble in 1900 I was still in Huai-lai."

The following chapters are devoted by Wu to the description of his tilts with the "Brotherhood of the Righteous Harmony Fists, who played like boys and made trouble like ghosts." Doing everything in his power to suppress the rapidly-swelling Boxer tide, Wu was later obliged to reverse his stand because of an Imperial edict. He, however, refused to sacrifice his personal beliefs, and the pages dealing with his repeated clashes with the Boxers are among the most enthralling in the book.

Meanwhile, in the Capital, the domineering, but ignorant and superstitious Empress was rapidly succumbing before the pressure of princes eager to increase their personal power by allying themselves with the bitterly anti-foreign Boxers. Those officials who realized the folly of conflict with the foreign powers were ruthlessly eliminated and the hate-drunk Boxers were allowed to run riot.

Repeated onslaughts on the Legation Quarter proved futile, and when the foreign reinforcements knocked at the doors of Peking, the Empress Dowager, the Emperor and the entire court fled north. But not until they had reached Huai-lai did the refugees receive food, clothing and attention due an Imperial family. Reception there so pleased the Empress that she befriended Wu and placed him in charge of arrangements for the remainder of the trip, through what is now Suiyuan, then south to Taiyuan, thence to Sian, with the return journey made by way of Kaifeng.

For a brief while, Wu became the most powerful individual in the entourage and his counsel was both sought and feared. He was at the same time able to observe at close range the leading figures in the Chinese tragedy, the constant bitter intrigues, and the fatal fissures in the entire system.

"The eunuchs," Wu says, "were not too respectful to the Emperor. Although with their mouths they called him 'Lord of Ten Thousand Years,' they treated him as a puppet that is pulled by strings. Nor did Kuang Hsu observe any ceremony with them. If he was idle and had nothing to do, he would sit down on the floor and amuse himself with them. He liked to draw pictures on paper of a big head and long body and of the different kinds of demons and spirits. When he had finished a drawing he would tear it to pieces. Sometimes he could draw a large tortoise, write the name of Yuan Shih-kai on its back and stick it on the wall. With a small bamboo bow he would shoot at the picture, then take it down and cut it to pieces with scissors, and throw the pieces into the air like a swarm of butterflies. His hate of Yuan Shih-kai was apparently very deep. He did this almost every day as though it were a task he must perform.

"In audience he had nothing to say to the officials, but sat silently on the same brick bed with the Empress Dowager . . . The officials were obliged to kneel in the center. They would kneel a few minutes without a word until the Empress Dowager spoke. She would say, 'Emperor, you question them first.' Then the Emperor would ask, 'Is it peaceful outside? Are the crops good?' No matter how many hundred times this happened he asked only these two questions. And no matter how many times a day there was an audience, the questions were still the same. Outside of these words, not another would he utter . . .

"When the Emperor had finished the Empress Dowager would ask questions without stopping. There was no end to her talk . . . Classical quotations and proverbs dropped at will from her lips. She understood personal relations and human emotions and the affairs of the world. A few words only were needed, and she had grasped the matter under discussion. Therefore the High officials were very much afraid of her. Since the Empress Dowager was so intelligent and Kuang Hsu was so weak, it was natural that he should be controlled by her . . . Some said that his purpose in hiding his intelligence was to keep the Empress Dowager from suspecting him. But it was not possible for us small officials to know the truth of this."

Mr. Latourette's introduction provides necessary and interesting background for the story. To those who are interested in the political or social aspects of the last years of the Empire; to those who want to read a fine exposition of the Chinese character; or to those who like a fine story beautifully written, this book is earnestly recommended.

M.

The Novel That Won a U. S. $10,000 Prize

I Am the Fox. By Winifred Van Etten. Atlantic Monthly Prize Novel. Little, Brown and Company, Boston. $2.50 (U.S.)

This novel, which won the Atlantic Monthly's $10,000 prize for 1936, is a very readable story hung on a clever framework, but from an artistic standpoint rather unadorned. It is strictly according to the modern vogue of moving backward,—the beginning is in the final chapter, the beginning and the end, too. It is not confusing like Aldous Huxley, moving backward and forward till one's chronology is in a hopeless whirl. Rather it moves straight-forward and tells its story.

There are, by actual count, just about twenty-five pages in italics which tell the whole story. Except for the incident of the hunters and dogs running the fox to earth at the beginning, these italicized pages are at the end of each chapter. Between, like interpolations, are the chapters relating incidents which explain the adult complexes of the girl Gardner Heath wants to marry. She is afraid of death, obsessed with the futility of life,—life ending in death like that of little Emily, like that of the hired man. She is afraid of the pursuit of the stronger sex, feeling herself the fox, man ever the hunter, demanding, not giving. Either of these fears might have seemed sufficient basis for one novel. The connection between the two is a bit strained, hardly convincing. Fear of sex and fear of death are not the same, even though one connects them by having the chief character ask, "Isn't marriage perhaps another kind of dying?" But at all events, Selma Temple had them both.

Such is the structure of the story, both clever and original. The author is fortunate too in being able to choose intriguing titles for her chapters. Perhaps this is enough to ask of a first novel. But Margaret Mitchell is a first novelist, too, and there is no comparison between the smooth-flowing prose of a thousand pages of "Gone With the Wind" and the mid-western brusqueness of three hundred fifty pages of "I Am the Fox." The former was a journalist but writes with the artistry and finesse of the experienced craftsman. The latter has taught for six years in the English Department of Cornell College, Iowa and writes like a reporter. The book has been called a "cross-section of Iowa," but with the exception perhaps of the chapter on the Bible Belt the story could be anywhere—Illinois as well as Iowa. Between the farm in Iowa and the farm in New Jersey there is no significant difference.

It is a good story, however. Read it. There is no obtrusion of the psycho-analyst, though Selma needed such if anyone ever did. There is none of the sticky sweetness of the Sunday School story with its over-evident moral. It is a straightforward story soon told without furbelows.

G. T. F.

A New Science Is Studied

So You Are Going to a Psychiatrist, by Elizabeth I. Adamson, M.D. Thomas Y. Crowell Company, New York.

Psychiatry, a comparatively new science, but one recognized as having a place in this high-powered civilization, filled with nerve-wracking people, is explained in comparatively simple language by Dr. Adamson, who has enjoyed wide experience in this new field, and is now associate in Psychiatry at Columbia University, New York.

Emotional behavior of human beings, says the author, is already established by the time they are six years old and the explanation of neurosis and its relation to the adolescent child; causes of inferiority complexes as a result of suppression of the power of recognition in childhood; the baby's five-year program; design for immaturity; dangerous children, etc., letting the child grow up; all of these are traced from development in childhood, through adolescence to parenthood.

Most of us are interested in finding out why we are as we are, and many of us have made definite attempts to adjust our weaknesses, and the information herein, not only helps us to understand ourselves, but also our next door neighbors, why some "good mothers" have "bad children" and some reasons why "unhappy husbands and wives" are unhappy. "Some of our worst-adjusted personalities come from our 'best families'; says Dr. Adamson. Psychiatry, which is really a treatment of mental diseases, is becoming more and more important, not for the recognized ailments alone, such as nervous breakdowns or the "jitters" but for the thousands of other people at large, who are not up to par and although sane, are suffering perhaps from phobias, inhibitions and neuroses. This book not only tells why we suffer from these ailments but it tells how such disorders can be brought to the surface and sensibly treated.

M. P. W.

KUOMINTANG-COMMUNIST COMPROMISE EFFECTED AT C.E.C. SESSION; MANIFESTO OUTLINES FUTURE POLICIES

(*Continued from page* 445)

defeat in their efforts to attack Suiyuan, while their efforts to force demands upon the Chinese Government resulted in failure. The determination and resolution of the Chinese people to make no more concessions to Japanese imperialism, but to prepare to recover our lost territories is of greatest political significance in the life of our nation. Humiliating negotiations with Japan must cease!

"Japan cannot defeat China because, 1st, she is economically and financially too weak to withstand a long war; 2nd, because the Japanese people themselves are opposed to war, 3rd, because the military strength of Japan is numerically inferior, and is technically backward. Lastly,—compared with other world powers and this is the determinant factor,—because the Chinese people themselves have resolved to fight to the end.

"Improvement of the People's Livelihood is essential for every Chinese government. Poverty, misery and distress is evident in all rural districts. Our farmers are suffering from exorbitant levies, taxes and extortions from feudal remnants in villages, which are still unabolished. And we must not forget that the peasantry is the backbone of Chinese economy. Unemployment in the cities is affecting the toiling masses. Not only are the workers in a miserable state, but the young intelligentsia is without work. The only splution to this problem is to promote rural construction and industrialization of our country. The government must free the mass movement, sponsor mass initiative and enthusiasm for reconstructive proposes. Only then can the principle of Livelihood be fulfilled. Practically, to bring the masses into action the Government must bring to an end the period of tutelage, convoke the National Congress as speedily as possible and attract people of talent, notwithstanding their party affiliations, to the Government.

"To facilitate the election of delegates the Government must immediately abolish censorship, grant freedom of assembly, organization and speech, release all political prisoners and give living reality to the late party leader's will for a democratic government. It is very regretable that even now we have in the government certain individuals which are not yet understood that for the salvation of the country we must liquidate every civil war. How ridiculous it is to hear today the antiquated theory that first we must suppress the communists and then resist Japanese aggressional. Shall we go in war with one arm broken? We have had 10 years of experience to civil wars, when the country's energies have been wasted on internal strife and the country devastated when Japanese militarists were slicing off one piece after another of our territory.

"Every Chinese patriot now rejoices that after these painful experiences, the Government is beginning to understand that in temal strife must cease for the sake of national salvation and that all the forces, including the communists, must be utilized to preserve Chinese national integrity. It is self-evident that Chinese must not fight against Chinese. The Chinese people do not want to fight against their own brothers. They know it is against the interest of the nation. Every internal conflict can and must be solved peacefully and amicably. There must be no more civil wars. There must be peace and unity. We must speedily build up Chinese national defense against foreign aggressions. Although the salvation of China depends on the Chinese people themselves, yet the late party leader has advised us not to isolate ourselves from the outer world, but to cooperate with those nations who treat us on the basis of equality, such as the U.S.S.R., America, England and France. World-wide sympathy is with China in her struggle to meet Japanese aggressions. The task of the government is to utilize such sympathy in the most effective way."

YANG HU-CHENG REPENTS FOR SIAN MUTINY

Sincere regret for the part he has played in the Sian mutiny of Dec. 12 last was expressed by Gen. Yang Hu-cheng, Pacification Commissioner of Shensi, in an interview with a representative of the *Central News Agency* Feb. 21. "I sincerely repent," he said, "for what I have done, which was tantamount to a gross violation of national discipline and a great wrong against our national leader.' As a gesture of his repentence, he said, he will abide by the orders of the Central Government in whatever measures that might be decided upon for the rehabilitation of the Northwest. Gen. Yang further said that in accordance with instructions of the Central Government he will move the troops of the 17th Army, of which he is Commander, to the areas as designated by the Government.

REMAINS OF SECOND SIAN UPRISING VICTIMS ARRIVE IN PEIPING

The special train carrying the remains of the late Gen. Wang I-cheh, commander of the Northeastern Cavalry Army, who was killed by reactionary elements during the uprising at Sian on Feb. 2, arrived at Peiping from Sian Feb. 21. The casket was met at the station by representatives of Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, Gen. Wan Fu-lin, commander of the 53rd Army, and others, and was later removed to the Polin Temple for temporary custody pending burial. Also arriving in the same train were the remains of Cols. Chiang Pin and Sung Hsueh-li, who were murdered at the same time as Gen. Wang.

HAYASHI HAS "DIFFERENT IDEA" OF REALIZING HIROTA CHINA POLICY

Premier Gen. Senjuro Hayashi informed the Diet Feb. 20 that while he agreed in principle with Koki Hirota's three-point policy towards China, but he had "a different idea on its realization," according to *Domei*. Gen. Hayashi expressed his "extreme regret" at China's belief that Japan harbored "aggressive designs." He also agreed with a questioner that "the worst stumbling block to Sino-Japanese rapprochement is the failure of both nations to understand each other's motives and policies." He further admitted that "the machinery for main taining diplomatic contact with China as well as for promoting Sino-Japanese economic rapprochement left much to be desired." Kensuke Horinouchi, Foreign Vice-Minister; who assisted Gen. Hayashi in answering interpellations, said that "only two or three cause of attacks upon Japanese nationals in China remain unsettled today." The negotiations on this question are being continued, he added. Heigoro Sakurai, Minseito, who made the interpellation, declared that "although China accuses us of aggression, fate has ordained that the two nations march along a path of co-existence and mutual prosperity."

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Central Reserve Bank to Have Capital of $100,000,000

Central News says the projected Central Reserve Bank will be organized in the form of a joint stock company of limited liabilities. Its capital will amount to $100,000,000, which will be divided into one million shares of $100 each. The amount is, however, subject to increase upon approval of the National Government.

Like the reserve banks in other countries, the Central Reserve Bank of China will be authorized by the National Government to: Issue legal tender notes and customs silver notes; circulate standard and subsidiary moneys issued by the National Government; serve as a fiscal agent of the National Government in floating foreign and domestic loans and amortizing their principal interest.

Sir Frederick Leith-Ross, chief economic adviser to the British Government, who was in China several months ago, on hearing the report that the Chinese Government plans to create a Central Reserve Bank, said in an interview in London Feb. 18: "I am very glad to hear that plans are afoot to transform the Central Bank of China into a Central Reserve Bank with control over the issue of notes and currency and over Government funds."

Capital of Young Bros. Banking Corporation to Be Increased to Ten Million Dollars

With a view to assisting more extensively in the economic development of Szechwan province, the Young Bros. Banking Corporation has decided upon a reorganization into a limited banking concern with an increase of capital from $1,000,000 to $10,000,000. The first bank to be established in Szechwan, the Young Bros. Banking Corporation made its debut more than 20 years ago as a commercial concern dealing in imports and exports.

Bank of Communications to Aid Chekiang Farmers with Credits

With a view to aiding the development of rural economy, the Bank of Communications has decided to extend credits amounting to $1,000,000 to the farmers in Chekiang. It is reported that the Bank of China advanced credits to the farmers last year, amounting to $270,000.

Chinese Railway Bonds to Be Listed in London Market

London financial papers state that arrangements are nearly complete for the introduction on the London market of the Six per Cent. Sterling Bonds of the Shanghai-Hangchow-Ningpo Railway. This loan was floated in Shanghai last June and amounts to £1,100,000. The opening price in London is likely to be around 94.

Dr. H. H. Kung to Resign as Finance Minister?

According to financial circles quoted by the *Shanghai Mainichi* Feb. 23, Dr. H. H. Kung still insists on his resignation from the post of Finance Minister. His determination to reliquish the post is said to be determined by the fact that China's finances have arrived in a blind alley, plus opposition from local financiers. It is predicted that Dr. Kung will be succeseded by K. P. Chen, general manager of the Shanghai Commercial & Savings Bank, although Hsu Kan, Vice-Minister of Finance, is being mentioned for the post.

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Stock Exchange—Business Done:-

Total Volume: 2,870,000 Shares

1936—37 High	1936—37 Low	Div. $ per sh.	STOCK	Last Sale Feb. 20	Last Sale Feb. 23
19	9⅝	0.35	Adams Express	18¾	18⅝
137½	106	4.00	American Can	107½	106½
40⅜	29¼	0.00	Amer. Cyanamid "B"	33⅞	32½
13¼	6½	—	American & For. Power	13	12½
68¼	29⅜	—	American & Foreign Pwr. 07. pfd.	67	66
29¼	18¾	0.60	American Radiator	27⅝	27
190⅛	149½	9.00	Americacn Tel. & Tel.	177¼	175¼
104	88½	5.00	American Tobacco "B"	95⅛	91⅜
29½	19½	0.80	American Waterworks	26	25⅝
64¼	28	1.00	Anaconda Copper	64¼	63¼
88⅜	59	2.00	Atchison, T. & S. Fe	75½	74
54¼	26⅝	—	Auburn	32½	31
28⅜	15⅞	—	Baltimore & Ohio	28⅜	27
94½	45⅜	1.50	Bethlehem Steel	94½	91⅜
45¼	16⅜	—	Boeing Airplane Co.	43¼	44¼
17¼	10⅜	—	Canadian Pacific Railway	17¼	16⅜
186	92½	4.00	Case, J. I.	166	165
63⅞	34	1.40	Chase National Bank	60⅞	60¼
100	59	3.00	Chesapeake Corp.	86⅜	88⅜
77½	51	2.80	Chesapeake & Ohio	65½	65
137⅝	85½	12.00	Chrysler	130⅛	125⅜
23⅜	14	0.60	Columbia Gas Electric	17⅜	17¼
24⅝	14¼	0.60	Coml. Sovents	19	18½
5½	2¼	—	Commonwealth & Southern, ord.;	3⅜	3¼
49⅞	27¼	2.00	Consolinated Edison	43	42⅝
17	11½	0.80	Consolidated Oil	16¼	16
45	28⅛	1.00	Continental Oil	44¼	43
82½	63⅝	3.00	Corn Products	67¼	66
82¼	50⅝	—	Douglas Aircraft	67⅝	62⅞
184¾	133	7.00	Du Pont de Nemours	173	170¼
28	15⅜	—	Electric Bond & Share	26⅜	25⅝
64½	34½	1.00	General Electric	60⅜	59¼
44	33⅜	2.00	General Foods	42⅞	43⅛
77	53⅜	4.50	General Motors	66⅝	65⅛
64	32½	1.00	General Railway Signal	62¼	60¼
42⅜	13⅝	1.00	Gold Dust	41⅝	39
42¼	21⅝	0.50	Goodyear Tire & Rubber	40	38⅝
86⅛	57	1.00	Humble Oil	86⅜	84
72¼	43¼	1.60	International Nickel	72¼	70
19¼	11½	—	International Tel. & Tel.	14⅝	13½
65	28¼	1.70	Kennecott	64⅝	63¼
78¼	43	2.00	Loew's Inc.	74	72
28⅛	21⅛	1.20	Lorillard	26⅜	26¼
103	79	1.70	Monsanto Chemical	96	95¼
68	35⅜	2.00	Montgomery Ward	62½	60⅜
59⅜	32	1.00	National City Bank	57⅜	57½
28¼	21	1.20	National Dairy Prods.	24¼	23⅜
33⅜	25⅝	2.00	National Distillers	29¼	29
14⅞	9⅝	0.60	National Power & Lt.	12⅜	12⅜
49⅝	27⅜	—	New York Central	46	44⅛
36⅜	23¼	1.00	North American	31⅜	30½
41	30⅜	2.00	Pacific Gas & Electric	33¼	33⅛
58⅜	44⅜	3.00	Pacific Lighting	47⅜	47
13⅜	6⅞	0.45	Packard Motors	11⅜	11½
45	28¼	2.00	Pennsylvania Railroad	44⅜	44
57¼	38⅛	2.50	Phillips Petroleum	54⅜	52½
52½	39	2.60	Public Serv. of N. J.	49¼	48¼
14¼	9⅜	—	Radio Corporation of Amer.	12¼	11½
60¼	50	3.00	Reynolds Tobacco "B"	55⅝	55½
55⅞	37⅜	3.00	Sohnley	46⅝	45⅝
101½	59⅝	3.00	Sears Roebuck	90⅜	88⅛
19⅜	12½	0.70	Socony-Vacuum	18⅞	18½
32¼	25	1.50	Southern California Edison	29	29
52⅜	23½	—	Southern Pacific	52⅜	51
18¼	14⅜	0.80	Standard Brands	15⅝	15⅜
14¼	5¼	—	Standard Gas & Electric.	13⅜	12⅜
74⅞	51½	1.00	Standard Oil Co. of N. J.	74⅜	72¼
78½	65	3.80	Sterling Products	71	71¼
44⅜	33	2.00	Texas Gulf Sulphur	40½	40½
18⅛	11	0.40	Transamerica	17	16½
110½	71⅝	2.80	Union Caride & Carbon	110½	108
149¾	108½	6.00	Union Pacific	134⅜	129¾
32⅜	20⅝	0.50	United Aircraft (New)	30¼	29⅞
24¼	13	0.20	United Airline Trans.	21½	20⅝
9¾	5⅜	0.20	United Corporation	7⅜	6⅞
19½	14¼	1.00	United Gas Improvement	15⅜	15⅛
59	31¼	—	U. S. Indus. Alcohol	39¼	38⅜
60¼	16⅝	—	U. S. Rubber	58⅜	57
114⅛	46⅜	—	U. S. Steel	114⅞	110⅜
33½	16¼	—	Vanadium	33	31
18⅜	9¼	—	Warner Bros. Pictures	15⅛	14⅜
166	94½	5.50	Westinghouse Electric	154	152½

Call Money: 1 %

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